

A GLOBALSPEC WHITE PAPER FOR ENGINEERING, TECHNICAL AND INDUSTRIAL MARKETERS

Marketing to Engineering, Technical, Industrial and Manufacturing Professionals:

What's Working Best Today

GLOBALSPEC



Introduction

The Internet has completely transformed the relationship between buyers and sellers in the business-to-business (B2B) world. Today, any company that markets and sells to engineering, technical, industrial and manufacturing professionals must have a robust and effective online marketing strategy — not just a company Web site.

Business professionals who once spent hours at work reading catalogs and magazines, researching in libraries and attending tradeshows now stay put at a desk and use the Internet to research products and vendors. The Internet is now the number-one resource for finding product information.

Marketers must evaluate their current investments and re-allocate budget to include online marketing strategies that will extend, enhance and outperform their traditional marketing programs. But with many online options to choose from, creating the right marketing mix to match your objectives can be a challenge.

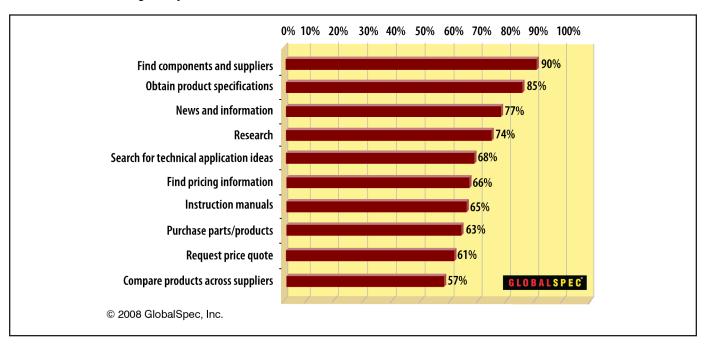
This white paper will show how your customers and prospects use the Internet today and how you can meet their needs online. It will help you evaluate the online marketing options available to you and help you choose programs that will increase your company's visibility and generate qualified leads and interested prospects for your products and services.

How Do Your Customers and Prospects Use the Internet?

Engineers and other technical professionals almost universally have adopted the Internet for work-related purposes. Recent surveys show:

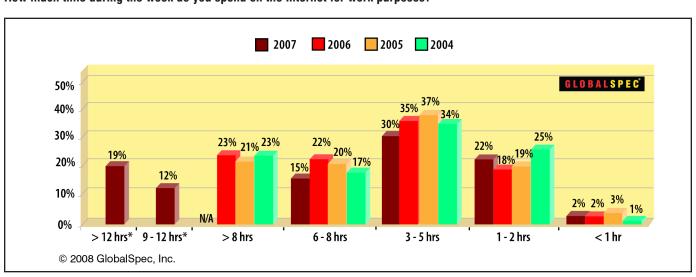
- 90% have used the Internet to find components and suppliers
- 85% go online to obtain product specifications
- 74% use the Internet to conduct research
- 68% use the Internet to search for technical application ideas

For which of the following have you used the Internet?



What's more, 19% of engineers spend over 12 hours per week on the Internet for work-related purposes; 31% spend over eight hours.¹

How much time during the week do you spend on the Internet for work purposes?



These statistics demonstrate that more and more of your customers and prospects are looking for you — and your competitors — on the Internet, and less and less are looking in magazines, catalogs, directories, and other conventional places. Printed directories are close to extinction. Readership of printed trade publications has been declining for years. Why? Online is the first place that engineering, technical and industrial professionals go.

The Internet has changed the behavior of your customers and prospects in other ways as well. Buyers demand and have come to expect 24/7/365 availability, complete and up-to-date product information and sophisticated search mechanisms that return meaningful results to their queries.

As part of their work process, they use multiple online resources to find what they are looking for. The majority uses more than one search engine for work. In addition, the top five resources used by engineers researching a work-related purchase are all online — from search engines and company Web sites, to online directories and online trade publications.²

The company that is stuck in the "Stone Age" of the Internet – still posting static product catalogs with limited searching capabilities, still relying only on their company Web site as their online presence – may fall behind. Your customers expect more. If they don't find what they are looking for from you, they can quickly find other potential vendors on the Internet.

The Measurable Advantage of Online Marketing

The evidence is clear that marketers must use the Internet as a major component of their marketing mix to reach engineering, technical, industrial and manufacturing professionals.

To the industrial marketer, this is a positive trend. One advantage of online marketing over most traditional media is measurability. By their nature, online marketing programs can deliver valuable statistics that tell a marketer — almost in real time — how well campaigns are doing and provide the intelligence to make adjustments as needed. Easily tracked page views, e-mail opens and clicks measure brand exposure. Online conversions and registrations measure the effectiveness of lead generation campaigns. Almost every online program offers tracking and measurement capabilities.

With executives demanding more and more accountability from marketing, this hard data is just what marketers need to support marketing investments or reallocate their marketing budget as needed to better performing programs.

The top five resources used by engineers researching a work-related purchase are all online.

Online marketing programs can deliver valuable statistics that tell a marketer how well campaigns are doing and provide the intelligence to make adjustments as needed.

Shifting your marketing mix doesn't necessarily mean increasing your marketing budget.

Many industrial marketers still lag in terms of the overall percentage of their marketing budget devoted to online.

Without frequency and consistency, your company will miss out on opportunities when customers and prospects are looking for products and solutions.

What Should a Marketer Do? Integrate Your Marketing Mix

Marketing is really the art and science of "fishing where the fish are." Today, it means connecting with your customers and prospects online.

Many marketers have already integrated their traditional marketing mix with online programs that perform better and meet company objectives for lead generation and brand exposure. According to the IAB Internet Advertising Revenue Report, online advertising continues to grow and is now the third leading advertising platform in the U.S. behind only newspapers and TV distribution.³ Online marketing spend in the U.S. alone is expected to be \$27.5 billion in 2008, up from \$21.4 billion in 2007.⁴ In a recent survey, 61% of marketers in the industrial sector reported that online marketing received a greater percentage of their marketing budget than it did the previous year.⁵

Shifting your marketing mix doesn't necessarily mean increasing your marketing budget. It could mean re-allocating existing budget away from under-performing programs and into those that are measurable and effective.

When re-allocating your marketing budget, you should take a broader view of all media available to you — both traditional and online — and choose those programs offering the best opportunity to connect with qualified prospects. Most likely, you will end up with a marketing portfolio that integrates traditional media with new. Reaching out to prospects through multiple online and traditional touch points increases the likelihood of establishing a connection, builds brand exposure and creates a whole that's greater and more effective than the sum of its parts.

However, many industrial marketers still lag in terms of the overall percentage of their marketing budget devoted to online. They need to migrate to online faster to successfully connect with customers and prospects, who are regularly online for work-related purposes.

Two Important Concepts About Online Marketing

When evaluating your online marketing options to find out what will work best to meet your objectives, keep in mind these two important concepts about online marketing.

1. Frequency and consistency

A key concept about online marketing — any marketing — is to stay in front of your customers and prospects. Unless you are a seasonal company, you can't disappear off the radar for any length of time. Any momentum you might have built up through previous marketing initiatives can be lost quickly because busy customers and prospects have short memories. If you don't give them a reason to keep you in mind, they won't.

The benefits of frequent and consistent online visibility build up over time as more prospects are exposed to your company. The most important benefit is that your company becomes known in the market, and most business people want to buy from companies they recognize. The unfamiliar is a risk few want to take. In addition, if your company's brand recognition increases, salespeople don't have to

start every conversation at square one introducing your company. This can lead to shortened sales cycles.

Without frequency and consistency, your company will miss out on opportunities when customers and prospects are looking for products and solutions. Frequency and consistency are particularly essential when marketing to engineering, technical and industrial professionals, who tend to work on multiple projects under tight deadlines and may have sudden or last-minute needs to search out a component or product. As a result, marketers need to be in the right place at the right time with relevant information when their audience is searching for answers.6

Your company can remain visible day in and day out by developing a consistent online presence on those Web sites, directories and search engines your customers and prospects use and the e-newsletters they read. You will gain both the branding benefits achieved through consistency and frequency, as well as measur-

able lead generation benefits via online contact.

Pull marketing — where customers find you — has experienced tremendous growth as multiple dynamic online resources have largely replaced the static print catalog era.

2. Push and pull strategies

Most marketing can be classified as either push or pull. Push marketing is familiar to all marketers from classic direct mail, telemarketing and print advertising, where you push out your message with the objective of drawing your audience's attention. Some online marketing can be considered push marketing: e-mail marketing and e-newsletter sponsorships, for example, where your message is delivered to prospects' inboxes.

While push marketing can reach a potential customer at any time, pull marketing connects with prospects in real-time while they are searching for information, products and services. Paid search ads, search engine optimization, online directory listings and searchable online catalogs are all examples of pull marketing.

Pull marketing — where customers find you — has experienced tremendous growth as multiple dynamic online resources have largely replaced the static print catalog era. In a recent study by MarketingSherpa reported in B2B Web Strategy, 80% of decision makers said they found vendors through research, rather than responding to a vendor's campaign. The key lies not in simply blasting out your message but in placing yourself where you can and will be found when prospects are looking.7

To be effective, you need to implement both push and pull marketing programs. When deciding how to allocate resources, seek out a media partner that has your target audience captive and can offer both push and pull programs under an integrated campaign. You'll get far more mileage out of your marketing investments.

As a marketer, you must sort through myriad online marketing options just as you would traditional marketing programs to overcome the challenges of connecting with prospects, providing relevant information, and gaining their trust.

Online Marketing: What Works Best

Engineering, technical, industrial and manufacturing professionals are searching online for information and products. And suppliers and manufacturers are reallocating their marketing to have a greater presence online.

In reality, the challenge you face as a marketer hasn't changed in the Internet era. Prospects are busy, skeptical, oversold and scared to death of making a mistake.⁸ In other words, the same as always. As a marketer, you must sort through myriad online marketing options just as you would traditional marketing programs to overcome the challenges of connecting with prospects, providing relevant information, and gaining their trust.

Here's a look at the top online marketing options and how they can help you meet your objectives as well as prove your case to an upper management team that will hold you accountable for results.

Your Company Web Site

Virtually every company has a Web site; without one, you probably wouldn't be in business. If your Web site is robust and focused on the needs of your customers and prospects, you probably feature extensive technical product information and an up-to-date product catalog or even e-commerce capabilities. These are the types of features your customers and prospects want.

Even if you do have a robust Web site, whether prospects and customers will find it is another issue. This is where online marketing tactics such as paid search ads, search engine optimization, and e-mail marketing can drive interested prospects to your Web site. A mix of these tactics can support your Web site goals.

Finally, if you do have a content-rich Web site and are successful at driving qualified prospects to it, you must have lead capture mechanisms to gather prospect contact information. You can offer white papers, executive briefs, Webcasts and other valuable content in exchange for prospects' contact information to help generate qualified leads.

Conclusion: You must have a Web site just to be in the game. Its effectiveness depends on your ability to keep content robust and up to date, drive customers and prospects to your site, and capture qualified leads.

Search Engine Optimization

Search Engine Optimization (SEO) is a group of tactics to get your Web pages to rise toward the top of results pages for specific keyword searches on engines.

While having a search engine friendly Web site can drive traffic to your site, successful SEO requires time, resources and special expertise. Search engine rules change, you have to compete with other companies for high rankings and you must identify the right keywords for your products and services. An entire industry of specialty SEO agencies now exists to provide these complex services.

In addition, the attributes that make a Web site rank high on search engines may not be the same as those that make it good for your customers and prospects. You may need to engage in a balancing act.

With SEO, you will only become visible when a customer or prospect searches for specific terms that your company shows up for on search engines. It does not provide you a consistent presence in front of your prospects and customers, nor does it guarantee that the traffic you drive to your Web site will consist of qualified prospects. However, since virtually everyone uses search engines, you should develop a presence on them.

Conclusion: SEO belongs in your marketing mix and you should perform basic SEO tactics to make your Web site pages friendly to search engines. However, general search engines are not targeted specifically to a business-to-business audience. Before investing in advanced SEO, evaluate the costs against the return you might get from other marketing options.

Paid Keyword Ads

Many marketers use pay-per-click (PPC) keyword ads on general search engines such as Google, Yahoo! and MSN. These ads can effectively drive traffic to your Web site. According to Jupiter Research, paid search will continue to grow faster than any other sector of online advertising, increasing from \$2.6 billion in 2004 to \$5.5 billion in 2009. A sharp increase in the average cost-per-click is the primary driver of this market.⁹

Faced with increasing costs, marketers must overcome the challenges associated with keyword ads on general search engines. It's difficult to weed out unqualified consumers and cultivate only your target customers and prospects. In addition, because keyword ads are so popular, competitive pressures drive up the costs for many keyword ads.

To be successful at PPC programs, you need to target the correct keywords, develop compelling ads using only a few words, and capture qualified prospects when they land on your Web site.

Conclusion: Keyword ads can be an effective marketing strategy to pull in qualified prospects. Consider supplementing your keyword ads on general search engines with a PPC program on a vertical search engine to better target your customers and prospects.

Banner Ads

In today's business-to-business environment, banner ads are thriving. The secret to success is targeting.¹⁰ If you can place online banner ads on only those sites that target your customers and prospects, you won't waste money paying for impressions on the wrong people. Your message will be relevant to the audience and more effective in generating brand awareness, visibility and qualified leads.

Investing in a banner ad network, where your ads appear on a group of related Web sites, can expand your reach to prospects and audiences that might otherwise be hard to reach. The increased recognition can help keep your company in the minds of customers and prospects, resulting in an increase in qualified leads and shortened sales cycles.

Banner ad networks also allow you to reach your target audience across multiple sites with a single buy, helping to save media research, program management and tracking time.

Advertisers seeking to strengthen their brand and expand their visibility should consider GlobalSpec's Industrial Ad Network® program. The Industrial Ad Network lets you reach a large audience, while only targeting industrial, manufacturing, engineering and technical professionals.

Conclusion: Online banner ads are effective for building visibility in existing and new markets; however, to avoid wasting impressions, you must target only those sites that are relevant to your target audience.

E-mail Marketing

Business e-mail marketers remain positive about e-mail's performance despite the hype for new channels such as text messaging and podcasting. A MarketingSherpa study found 78% of business e-mail marketers think that e-mail marketing is effective and its impact continues to grow.¹¹

E-mail campaigns to internal house lists are excellent tactics for both customer retention and customer acquisition. E-mail provides a fast, easy and cost-effective way to stay in touch on a regular basis, provide useful information, track interest areas for your customers and prospects, and generate qualified leads.

To be a successful e-mail marketer requires proficiency in a number of areas:

- Developing useful and educational content beyond promotional information; offering white papers, executive briefs, Webinars, spec sheets and CAD drawings all increase the effectiveness of your e-mail communications
- Effective layout and design
- · Familiarity with and adherence to spam laws
- Testing e-mail campaigns to improve response rates
- Growing your house e-mail list
- Managing an internal e-mail marketing solution or outsourcing to a e-mail marketing service provider

For e-mail marketers who want to reach engineering, technical, industrial and manufacturing professionals, GlobalSpec has published a white paper: "The Industrial Marketer's Essential Guide to E-mail Marketing". It covers exactly what you need to know to be a successful e-mail marketer.

Conclusion: Properly executed, e-mail is a highly effective marketing tactic. With many of your customers and prospects showing a preference for online communication with vendors, e-mail belongs in your marketing mix.



E-newsletter Advertisements

An effective complement to your own e-mail marketing efforts is advertising in third-party e-newsletters.

Advertising in an e-newsletter allows you to gain visibility in new markets or with hard-to-reach prospects and decision makers who may not be on your house list. The other advantage of e-newsletter advertising is the publisher takes on the responsibility of developing content for the e-newsletter; you only need to provide your advertising message.

When considering e-newsletter sponsorships, seek a reputable and proven e-newsletter partner that provides:

- A large circulation of opt-in readers
- A demographic profile of its audience that you can compare to your own target audience
- Strong open rates
- Flexible advertising options such as using images, different placements in the e-newsletter and multiple linking options
- · Comprehensive reporting on statistics

Conclusion: Advertising in third-party e-mail newsletters is a perfect complement to your own e-mail marketing efforts or a great way to get started with e-mail marketing if you don't have a house list or resources to launch an e-mail marketing initiative. GlobalSpec regularly publishes 58 product- and technical-focused e-newsletters that have advertisements available.

GlobalSpec as Your Marketing Partner

When you are evaluating media partners, we invite you to have a conversation with GlobalSpec. Your business is selling products and services to engineering, technical, industrial and manufacturing professionals. Our business is delivering this target audience to you online and providing a comprehensive and integrated marketing solution that will extend, enhance and outperform traditional marketing practices alone. Here's why:

1. You gain GlobalSpec's online marketing expertise

Since 1996, GlobalSpec has been at the forefront of online marketing. Through our experience, research and people, we are able to guide you not only in achieving specific, near-term marketing objectives, but also in taking a broader, more integrated view about how you can best use online marketing to reach new customers and markets and grow your business.

2. Your customers and prospects use GlobalSpec

We have your audience — so you can fish where the fish are. GlobalSpec is used regularly by engineering, technical, industrial and manufacturing professionals worldwide to find components, products, technical information and services. People who have purchasing power and influence. In fact, 93% of GlobalSpec users are involved in the purchasing of components, equipment and services — 58% influence over \$50,000, and 40% influence \$100,000 or more.

3. Excellent brand exposure and valuable lead information

GlobalSpec offers tailored programs that can help you achieve two goals: maintain a visible and consistent brand presence as well as generate qualified leads. GlobalSpec uses its marketing expertise to harness qualified Web traffic from search engines, identifies the company or individual, and sends it on to you. That means when you get a lead from GlobalSpec you know who it is, what their area of interest is, how they want to be contacted by you and more ... targeted, relevant traffic that has a face on it, what we like to call "the difference between a customer and a click."

4. Tailored, integrated marketing solutions

GlobalSpec solutions integrate multiple online media — from e-newsletter advertisements that offer both branding and lead generation, to searchable online catalogs that service specific and immediate demand; from banner ads and keyword ads on targeted sites and pages, to publishing opportunities, list rentals and more — allowing you to deploy the options that fit your unique business needs, integrate with your other marketing efforts, and deliver the right message at the right time to the right audience.

The ability to find customers ... to tap into new markets or new regions that are actively seeking your products ... to understand what prospects are looking for ... to gain an integrated marketing program and a wealth of practical advice about online marketing — this is the GlobalSpec approach to marketing. And it's why thousands of manufacturers and suppliers choose GlobalSpec to help their businesses grow.



For more information on GlobalSpec's comprehensive marketing solutions that complement your traditional programs, please call 800.261.2052 or visit http://www.globalspec.com/advertising.

¹2007 GlobalSpec Engineering Trends Survey.

2 Ibid.

- ³ IAB Internet Advertising Revenue Report, PriceWaterhouseCoopers, 2008.
- ⁴Outlook 2008: Online Marketing, Brandweek, brandweek.com.
- ⁵ 2007 GlobalSpec Marketing Trends Survey.
- ⁶ "Sparking Interest", Mary E. Morrison, B2bonline.com, Feb. 2008.
- ⁷ "Buyers Find Vendors Not the Other Way Around," b2bwebstrategy.com, 2008.
- ⁸ Ken McCarthy, b2bmarketingtrends.com, 2008.
- ⁹ "Paid Search Through 2009," Jupiter Research, August 2004.
- 10 "What's Working in B2B Internet Marketing," Ruth P. Stevens, b2bmarketingtrends.com, 2008.
- ¹¹ Marketing Sherpa E-mail Benchmark Survey, 2006.

© 2006-2008 GlobalSpec, Inc. All rights reserved. GlobalSpec, the GlobalSpec logo, SpecSearch, The Engineering Search Engine and The Engineering Web are registered trademarks of GlobalSpec, Inc. The Engineering Toolbar and DesignInfo are service marks of GlobalSpec, Inc.

No portion of this publication may be copied, reposted, duplicated or otherwise used without the express written permission of GlobalSpec Inc. 350 Jordan Rd, Troy, NY, 12180