



F R O S T & S U L L I V A N

50 Years of Growth, Innovation and Leadership

Maximizing Your Marketing Mix
How to Reach the Industrial Audience

A Frost & Sullivan
White Paper

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Objective

The objective of this white paper is to assist industrial marketers in understanding the variety of marketing solutions available to help them maximize their marketing mix, enabling them to reach their target audience and achieve their goals with a greater return on investment.

Several key factors in this objective include:

- Assisting industrial marketers in understanding the various marketing opportunities that now exist, primarily due to the advent of the Internet and advancing online technology;
- Discussing the current marketing tactics that can be used, as well as the chief value each one can bring to a company;
- Identifying the solutions available to help them achieve success and providing industrial marketers with actionable and effective strategies to optimize their marketing mix, including using GlobalSpec’s products and services targeted to complement a company’s existing methods.

INTRODUCTION

How this White Paper Will Help Industrial Marketers

While the purpose and goals behind industrial marketing have not changed significantly in recent years, the tools and technologies available to help companies meet their marketing goals have evolved and expanded, primarily due to the Internet. The plethora of new online marketing opportunities has added additional opportunities—and complexities—to marketers looking to create a marketing mix that will best meet their goals. In addition, not all marketing tactics, whether traditional or online, are designed to achieve the same end results. This means that care needs to be taken in developing a marketing mix that is comprised of complementary tactics to help marketers achieve the results they need.

The purpose of this white paper is to help industrial marketers navigate the changing marketing landscape, understand the various marketing tactics available, and develop a marketing mix that will allow them to achieve their marketing goals, while getting a greater return on investment.

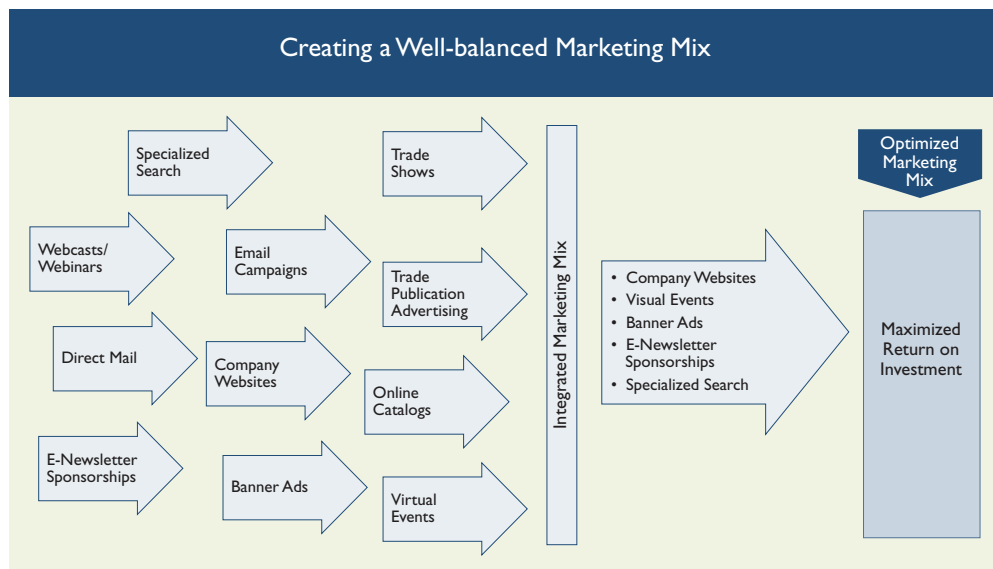
Impact of the Internet on Industrial Marketing Methods

Over the last 10-15 years, the Internet has revolutionized how the engineering, technical and industrial professionals find suppliers and gather product information, and the way companies have been able to relate to this audience. In many ways, the Internet has brought companies and customers closer together, eliminating communication barriers such as geography. However, the Internet has also introduced challenges in the form of some new technologies (such as social media, for example) that, while offering exciting new marketing tactics, have not been in use long enough to demonstrate effectiveness or a solid return on investment. Therefore, it is important that the savvy marketer understand how to blend established online marketing tactics with newer ones to mitigate potential investment risk.

The transformative power of the Internet has altered the ways in which consumers—including industrial consumers—identify and source the products they need. Recent GlobalSpec surveys show that 74% of engineers and other technical professionals use the Internet to conduct research, while an impressive 90% have used it to find specific components and suppliers. Five or ten years ago, industrial marketers may have used online marketing methods as only a complement to their print advertising. That scenario is now reversed. The ubiquity of the Internet, the advanced software technologies that allow for the accurate tracking of user behavior and actions, and the recent advent of social media can now be integrated into a diverse marketing mix that relegates complementary marketing to the once dominant print media.

The Importance of a Well-Balanced Marketing Plan

With ever-increasing pressure on marketers to provide a demonstrable return on investment (ROI) for their marketing spend, it is vital that they approach their marketing mix with a clear strategy in place. Frost & Sullivan independent research has indicated the importance of engaging in a flexible marketing plan that is fluid enough to keep up with dynamic business goals, new marketing channels, and changing technologies.



Source: Frost & Sullivan

THE EXPANSION OF MARKETING OPPORTUNITIES

Tried and True: Established Online Marketing Opportunities

Over the last fifteen years, online marketing has evolved to the point where there are now a number of online marketing opportunities that have been tried and found to provide demonstrable results for the industrial marketer. Industrial manufacturers and suppliers have supplanted one-page company websites with more robust, dynamic sites that allow for interaction with customers. Publishers who once worked solely in print have found value in moving their content online to reach a broader audience. Third-party websites and portals have sprung up to address end-user needs for information on diverse industry verticals and technologies. And most recently, social media and social networking have been making inroads within the industrial community. Each of the above has value in a diverse and effective marketing mix.

Company Websites

As the general consumer market grew online, industrial marketers began seeing value in using the Internet to create dynamic company websites that would allow them to get in front of a targeted, relevant audience. A key challenge was, and still is, to draw industrial professionals into these websites from the general search engines that often are the starting point for professionals doing product and services research. Marketers started with changing static company websites into more dynamic sites that offer informative content, detailed product information, and, in some cases, procurement services. Well-executed websites provide marketers with a venue to promote their company brand, gain sales leads, and increase sales, among other benefits.

Third-Party Websites, Specialized Search Directories and Portals

Many publishers of industrial print media have also shifted online, recreating online versions of their magazines and offering advertising opportunities through banner ads, e-newsletter sponsorships and other tactics. In addition, industry-specific third-party websites have evolved, offering information to end users and advertising opportunities to industrial marketers. These industrial-specific websites or portals vary in their offerings, from simply providing a manufacturer's name and address to offering heavy editorial content. Successful industrial-specific websites have the ability to draw in and convert a targeted audience into repeat visitors, while giving marketers the most efficient tactics to capture the attention of that audience.

Industry-specific search engines also allow industrial professionals to bypass the irrelevant search results that turn up in general search engines and quickly find the information and product details they are looking for. Marketers can take advantage of these search engines by having a digital online catalog on a third-party catalog site, which can often lead to excellent results in lead generation and sales conversions.

Social Media: A New Twist on Traditional Social Networking

Social media is primarily an umbrella term for a set of Internet-based applications that allow for the sharing of information among users. Social networking falls under this umbrella term and more specifically refers to a group of online technologies that allow not only for the dissemination of information, but active interaction and communication regarding that information. For advertisers, social networking is not solely about promoting products and services. Rather, social networking activities represent an opportunity for manufacturers and suppliers to reach out to and engage with their audience. Social media provides an avenue for businesses to develop stronger relationships with clients and potential clients.

In general, social networking sites such as Facebook, Twitter and LinkedIn have rapidly gained popularity within the last five years. The most common use for such sites has been personal use by the general populace to keep in touch with friends,

family and people with like interests. However, some industrial marketers have started to use these types of tools within the work environment as well, either informally or as part of a targeted marketing effort on behalf of a company.

A recent research report published by Frost & Sullivan indicates that 36 percent of corporate end users of social networking are mid-level managers and 55 percent are non-manager or entry level users, with the remaining nine percent classified as executive level management. These numbers suggest that those who use social networking may not be the purchase influencers that industrial marketers often target; however, they are likely to be the ones with hands-on experience with a manufacturer's products and services.

Therefore, using social media can be valuable in providing a company with insights into how their audience views its company image, products and services, enabling it to take actions to improve brand image, customer policies and products. Social media is not a replacement for more established marketing methods.

Traditional Marketing: Still Relevant?

Traditional marketing methods, such as print ads and trade shows, have been adversely affected by the explosion of the Internet. While this does not mean that companies must abandon traditional marketing tactics, it does strongly suggest that many of these traditional marketing methods no longer provide a return that justifies further investment. Therefore, marketing professionals must carefully evaluate cost versus return of the traditional marketing methods still in their current marketing mix. This will determine whether they are getting the same value from traditional methods as opposed to online marketing methods.

CHOICES, CHOICES: UNDERSTANDING EXISTING MARKETING TACTICS

Different Tactics, Different Results

In developing a well-rounded marketing mix, it is important to understand that different marketing tactics do not always lead to the same results. Each marketing tactic is designed to achieve a specific objective, such as targeted branding and exposure, qualified sales leads, web traffic and new product promotion. To achieve multiple marketing objectives, a multi-pronged marketing approach is recommended.

Marketing Tactics for Established Online Marketing Venues

One of the advantages many online marketing methods have over traditional media is that marketers are able to track their online campaigns. With the economy still recovering at a sluggish pace, it is more important than ever that a marketer show

a measurable return on investment from their marketing efforts. Most online marketing programs offer measurement tools such as ad impressions, clicks, and sales conversions that provide proof of the effectiveness.

Editorial Content as a Marketing Tactic

One way in which companies can improve its company brand and establish itself as a leader in its field is through providing robust and current editorial content in a specific industrial field. Marketers can publish editorial content in various formats, such as:

- Articles
- White papers
- e-Newsletters
- Blogs

Such content can be exclusive to the company's website, posted on third-party websites, or distributed via online marketing methods and through direct e-mail campaigns. Providing fresh informative content allows a company to present itself as a knowledgeable resource to industrial professionals seeking industry-specific information and news, which aids in brand recognition and thought leadership. Savvy marketers can also provide high-value content, such as white papers and technical articles, within a gated format, meaning users wishing to read the content must first complete a form, providing quality lead information.

Banner Ads

Banner ads are the online version of print ads, embedded into a website. Primarily, the marketing objective in using banner ads is getting a company name in front of an audience. By properly selecting an ad network that comprises industry-specific sites, marketers can ensure their ads are shown to a highly targeted audience that is most relevant to the company's products and services. However, banner ads are generally less effective when the marketing goal is to generate new leads or drive site traffic.

Online Multimedia Marketing Tactics

Webinars, webcasts and other types of online video, such as video white papers, have been gaining traction in the industrial space as a way to reach a targeted audience. Webinars, short for web-based seminars, are live interactive online presentations where both the presenter and audience are able to give, receive and discuss information. In contrast, webcasts and video white papers are generally delayed video transmissions over the Internet that follow a "one to many" format, in which interaction is either very limited or non-existent between the presenter and audience.

In a 2010 survey conducted by TubeMogul, an online video advertising and analytics company, more than 75 percent of B2B respondents stated they used video to increase visitor engagement, and just over 60 percent used video to strengthen

their brand. Frost & Sullivan research indicates that online video can be a vital component to any marketing program as it can help generate quality leads, strengthen company branding, enhance customer services, and improve competitive positioning. As a marketing tactic, marketers can host online videos on their own company website, on a third-party website, or a hosting platform such as YouTube.

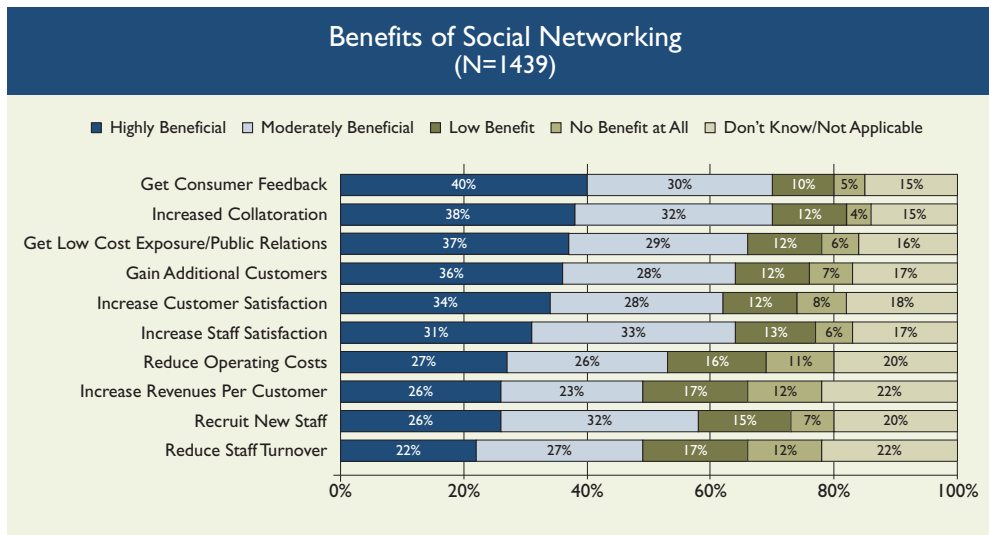
Virtual, or online, events are another type of multimedia marketing tactic that can promote company branding and thought leadership opportunities, and improve customer relations. By taking place entirely online, these events simulate trade shows, bringing together vendors and a targeted audience in real time, providing networking opportunities, educational sessions and multiple opportunities for a company to promote all aspects of its business. In addition, because these are virtual events, people can participate from the convenience of their office or home, avoiding significant travel costs.

Social Media Tactics: How to Use Social Networking

As a new medium for delivering business-to-business messages, social networking sites still remain an enigma to many within the manufacturing industry. However, as a complement to a marketing mix, social networking can help companies expand brand awareness, improve customer relations, promote company events or webinars, and more.

The following is a breakdown, along with potential uses, of some of the more well-known social networking sites:

- **LinkedIn:** This is one of the leading social networking sites for professionals. One of the primary capabilities LinkedIn offers is the ability for marketers to build a LinkedIn Group around their company, using it to demonstrate core competencies and specializations.
- **Facebook:** This social networking site allows companies to set up an account to promote their brand and engage with their customer and prospect base. They can use their account to gain valuable feedback on product launches or new services, as well as organize and promote company events.
- **Twitter:** Twitter is a 140-character tool used to send messages to an unlimited number of people. Similar to instant messaging, it can be a valuable method to keep in touch with clients and prospects, and share important company and industry news in a timely fashion.



Source: Frost & Sullivan

Social networking sites provide manufacturers and suppliers with a number of different ways to interact with their audiences. However, Frost & Sullivan research indicates that the primary use of these social networking sites (excluding LinkedIn) by professionals, even during standard business hours, tends to be for personal use. This being the case, therefore, it is important to emphasize that while using social networking sites for marketing does have its benefits, it should always be used in addition to other marketing tactics.

Mix and Match: Finding the Right Marketing Mix

It is vital to establish a well-balanced mix of marketing channels to allow industrial marketers to maximize their reach and effectiveness to a specified, targeted audience. When developing a marketing mix, marketers must start by identifying the key objectives, such as improving traffic to a company website, high quality lead generation, branding and exposure, market penetration, and increasing sales conversions, for example. Once these objectives have been established, then marketers can choose the right tactics that will help them achieve these goals. For example, a mix might include a banner ad network, posting white papers on an industry-specific website, uploading a product catalog to a third-party web site and exhibiting at a virtual event.

Clearly, there are many options that marketers face when strategizing their marketing plan. Partnering with an experienced online marketing company that is attuned to the specialized needs and requirements of the industrial space can help marketers achieve their goals by focusing on the tactics that reach the right audience while providing accountability.

BEST PRACTICES IN PROVIDING SOLUTIONS: HOW GLOBALSPEC HELPS INDUSTRIAL MARKETERS MAXIMIZE THEIR MARKETING MIX

The Right Audience at the Right Time

GlobalSpec has over six million registered users, comprised of technical, engineering, manufacturing and industrial professionals. Over 90 percent of this audience has purchasing influence over components, equipment and services. Furthermore, this is an audience that is actively engaged in a search for information, products, and services.

Solutions for Every Marketing Objective

Catalogs & Directories

GlobalSpec's online searchable catalog program allows users to search by specification to find the products and services they need. The program provides marketers with qualified leads that include contact information and search details. Both catalog and directory products feature a link to the company's website, product announcements, technical articles and other services that can increase brand awareness and sales, enhance brand image, and improve a company's online visibility.

e-Newsletter Advertising

GlobalSpec publishes over 60 product and industry-specific e-newsletters that reach a highly targeted and engaged readership, with a delivery rate of 98 percent. These serve as an effective marketing tactic to gain exposure for a company's brand or products, while generating qualified leads.

Online Events

GlobalSpec offers live, online events that are also available on-demand for a full 90 days afterward. These industry-specific events feature educational sessions and a virtual tradeshow floor where exhibitors can showcase their company, products and services, positioning them as a thought leader. GlobalSpec conducts pre-event research to provide expert event content development and engages in extensive marketing to promote the event through e-newsletters, e-mail communications and banner ads, among other ways. Virtual events are an excellent way to achieve company exposure, build brands, establish thought leadership, and generate leads.

Ad Networks

By using GlobalSpec's leading online banner advertising network, marketers can get their message viewed on industry-relevant sites. In addition to reaching a coveted audience, this also enables new product promotion and increases brand awareness, particularly in new markets.

Putting It Together: GlobalSpec as a Marketing Partner

Rapidly changing online technologies, such as those available for social media and networking, can paralyze industrial marketers who are unfamiliar with the use and potential results of these new marketing tactics. Furthermore, trying to establish a well-balanced portfolio of marketing tactics, combining traditional, established online, and new social media tactics can overwhelm industrial suppliers who have used just a couple of methods in the past, but now recognize a need to update their marketing programs.

GlobalSpec Solutions In Action

Customer Success Snapshot: Schaffner

Type of Company: Electronic Components Supplier	<p>The most bang for our buck right now is GlobalSpec. It is very engineering-driven and has numerous newsletters that are very targeted to specific markets or certain groups that are homogeneous by newsletter types—for example, electronic components or wastewater treatment. They are also very good at linking back to my website and I can definitely see more hits on my website immediately after an insertion is run....</p> <p>—Company President</p>
Geographic Footprint: Global Presence	
Revenue: Over \$200 million	
<p>Problem:</p> <ul style="list-style-type: none"> • New product introduction • Need to increase brand recognition and equity • Need to drive quality leads • Need to reach engineers early in the buy cycle 	
<p>Solution:</p> <ul style="list-style-type: none"> • GlobalSpec Marketing Solutions that included: <ul style="list-style-type: none"> – Searchable online catalog program – Targeted newsletters – Delivery of desired audience – Online events 	
<p>Business Results:</p> <ul style="list-style-type: none"> • Improved high-quality leads to company website • Increased exposure to target customers • Heightened brand awareness and brand exposure to design engineers early in buy cycle 	

CONCLUSION

GlobalSpec is the leading provider of online marketing programs for companies interested in reaching the engineering, industrial and technical communities. The company has a wealth of expertise in online marketing methods and will work with clients to provide tailored marketing solutions that match their needs and reach their target audience. With GlobalSpec as a partner, marketing professionals have an edge in knowing not just where to target marketing efforts, but also how to time them effectively, while maintaining a combined focus on both leads and branding exposure.



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GLOBALSPEC

GlobalSpec is the leading specialized vertical search, information services and e-publishing company serving the engineering, manufacturing and related scientific and technical market segments. The company provides its buy-side users with domain-expert search engines, a broad range of proprietary and aggregated Web-based content, and over 60+ product and industry e-newsletters that help engineers and related professionals perform their key job tasks with the highest levels of accuracy and productivity. GlobalSpec provides its sell-side client base of companies seeking to reach the worldwide engineering audience with highly filtered sales leads, product promotion and brand advertising platforms, and a wide range of e-media advertising and marketing services.

www.globalspec.com

ABOUT FROST & SULLIVAN

Frost & Sullivan, the Growth Partnership Company, partners with clients to accelerate their growth. The company's TEAM Research, Growth Consulting, and Growth Team Membership™ empower clients to create a growth-focused culture that generates, evaluates, and implements effective growth strategies. Frost & Sullivan employs over 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from more than 40 offices on six continents. For more information about Frost & Sullivan's Growth Partnership Services, visit <http://www.frost.com>.

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