

Packaging Supplier Marketing Trends and Best Practices

FALL 2019



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Dear Reader,

Marketing to packaging end users is increasingly complex. Communication options are diverse, buying teams are seeking tailored content and marketers are increasingly pressed to optimize and accelerate sales funnel.

It is with this backdrop in mind that PMMI Media Group presents the following **Supplier Marketing Trends and Best Practices** report. I hope this will be a valuable resource to you as you navigate this challenging environment. Within this report, you'll learn:

- Most popular channel strategies that packaging equipment and materials suppliers are pursuing—and where they may be falling short
- Packaging marketers' lead management practices and performance norms
- Biggest barriers today's marketers are facing and ways they are using process changes and technology to address them

The report is based on findings from our **2019 Packaging End User and Supplier Buying Insights Study**, a two-pronged project examining both buyer and supplier perspectives on changes in the research and purchase of packaging machinery and supplies. Highlighted within are excerpts of supplier responses. See insights.pmmimediagroup.com for future reports in this series.

Kind Regards,

Sarah Loeffler

Director, Media Innovation & Marketing Insights
PMMI Media Group

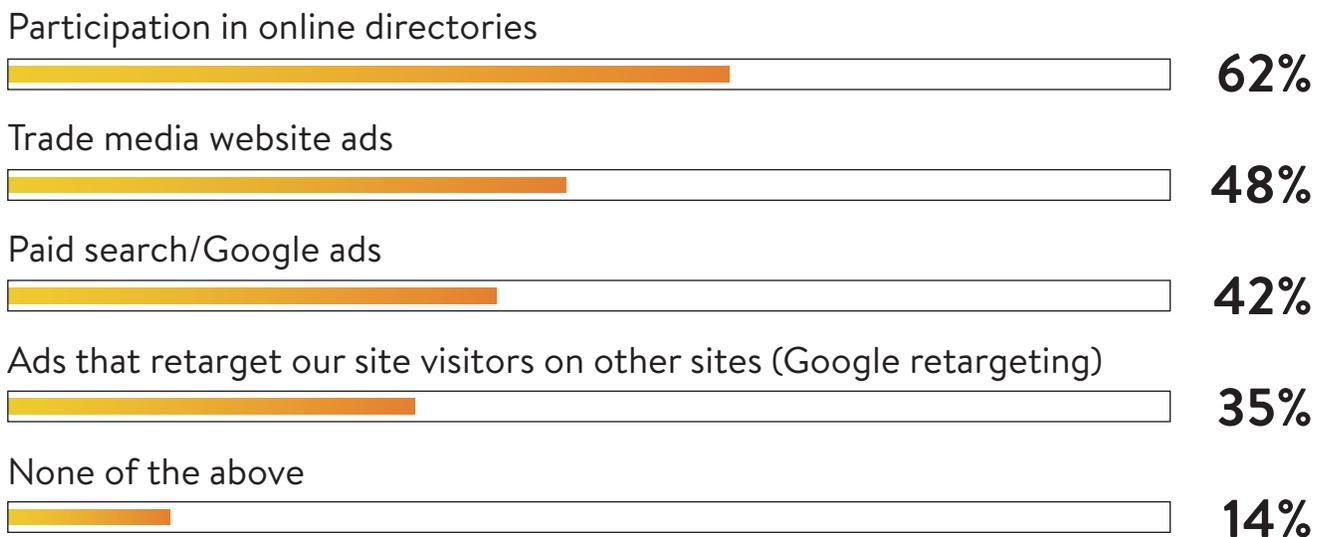


CHANNEL PREFERENCES

Largely Passive Web Reach Among Suppliers

While 62 percent of suppliers participate in online directories, most are not using web techniques to steer and stay top of mind with buying teams. Retargeting visitors with ads—a simple and relatively inexpensive tactic any website owner can do—is used by only 35 percent of respondents.

Which WEB marketing strategies do you use?

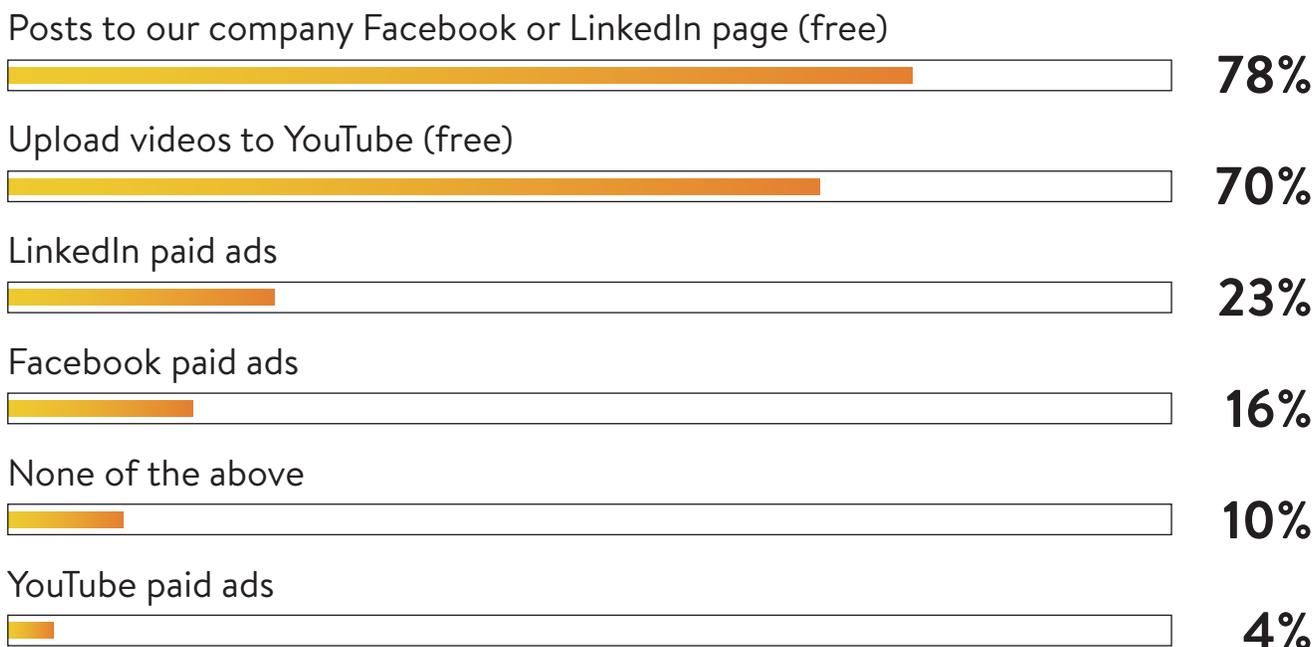


The takeaway? Many in the industry are missing a core piece of their marketing mix. Web advertising provides easy means to target and retarget ideal prospects with messaging that can easily flex based on product interest. These tools are vital to growing presence with buying teams and driving traffic to suppliers' websites. Simply put: Your customers and prospects are online, so you need to be as well.

High Organic Social Participation, Little Content Distribution

Most packaging suppliers have some sort of social presence, with 78 percent posting on their Facebook or LinkedIn pages and 70 percent maintaining YouTube channels. These efforts are valuable in helping prospects research known companies and products. Few marketers, however, are pushing out their branding and content on buyers' social feeds.

Which SOCIAL strategies do you use?



The takeaway? Paid advertising is a means of reaching buyers where they already are consuming content. When marketers limit social activity to their own channels, they miss engaging those prospects who are new to them. In addition, social advertising offers potential for audience targeting and paying by goal type (reach vs. engagement vs. view time, etc.). Such qualities help marketers spend where it will be most meaningful to their goals—and avoid where it won't be. (Tip: Some marketers have been hesitant to distribute content to new audiences using Facebook over uncertainty of audience quality. A simple workaround is to work with trade media to target opted-in readers as custom audiences on these channels, if available. With PMMI Media Group, for example, it's possible to target portions of its database of readers on their Facebook feeds, using targeting criteria such as vertical, location and buying interest.)



CHANNEL PREFERENCES

Email Is Popular, Mostly to Internal Lists

Email is by far the most popular channel strategy among suppliers—and in many instances, the only channel strategy. Rather than focusing on funnel growth, most email marketing is directed to known prospects and existing customers.

Which EMAIL strategies do you use?

Email marketing to our own list



Trade e-newsletter ads



None of the above



Other

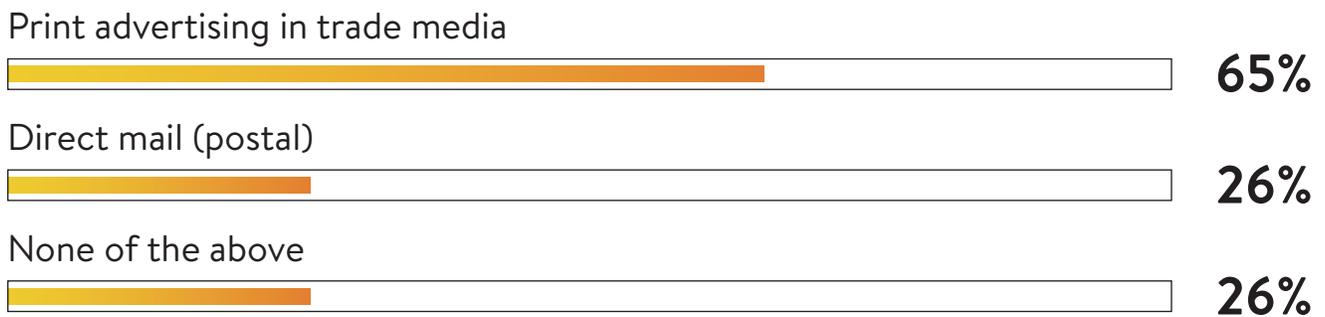


The takeaway? An internal list strategy that excludes new audience will limit business growth potential by its very nature. And while email can be extremely effective, particularly for mobile content consumption, it remains challenged by tightening privacy laws, greater competition for the inbox and more intensive SPAM blocking. Given this shifting environment, marketers who place all of their efforts in email will find it increasingly challenging to maintain yet alone grow engagement levels compared with years past.

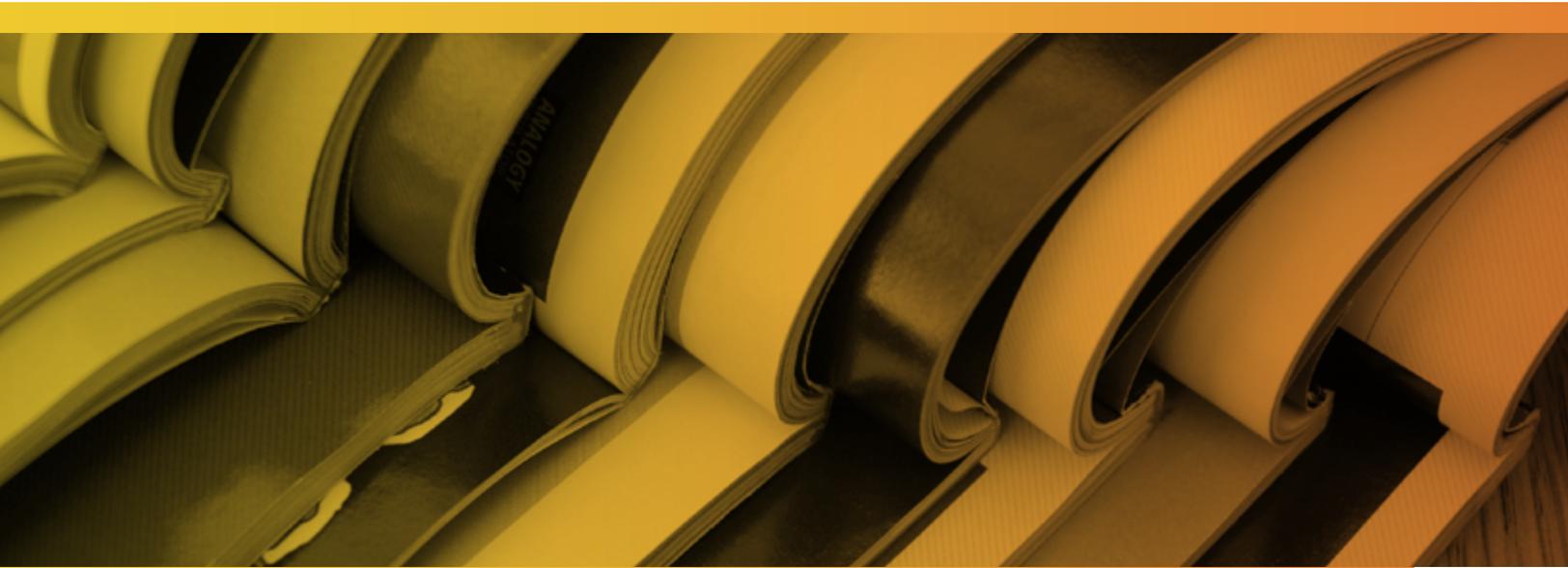
1 in 4 Are Missing in Print

Twenty-six percent of suppliers do not participate in any type of direct mail or print advertising. Of those who do pursue a print strategy, print ads in trade media are more popular than direct mail.

Which PRINT strategies do you use?



The takeaway? This is a key area of opportunity for many. Print is a way to reach influencers and decision makers without the privacy burdens and blocking found with email, and print-based communications typically produce higher trust sentiment than other channels. A strategic combination of print and digital communication can maximize the impact of a message because print offers a level of reach and longevity that digital simply doesn't, and it aids recall in a way that digital can't do alone.



HOW ARE BUYERS' CONTENT CONSUMPTION BEHAVIORS AFFECTING SUPPLIERS?

If it feels like you're under pressure to have more content and a broader channel strategy these days, it's because you likely are:

37%

of packaging equipment and materials buyers say the number of people involved in their purchase decisions over the past five years has increased → Suppliers need to offer message and channel diversity to go deeper into accounts

56%

of packaging equipment and materials buyers say that over the past five years, their purchase decisions are becoming more frequently accelerated or put on hold based on shifting priorities → Suppliers need to provide engagement opportunities more frequently to recognize signals of shifting interest

52%

of buyers say trade media magazines, websites or newsletters inform their purchase decision → Suppliers who rely solely on strategies that reach existing accounts risk missing a substantial portion of the addressable market for their product

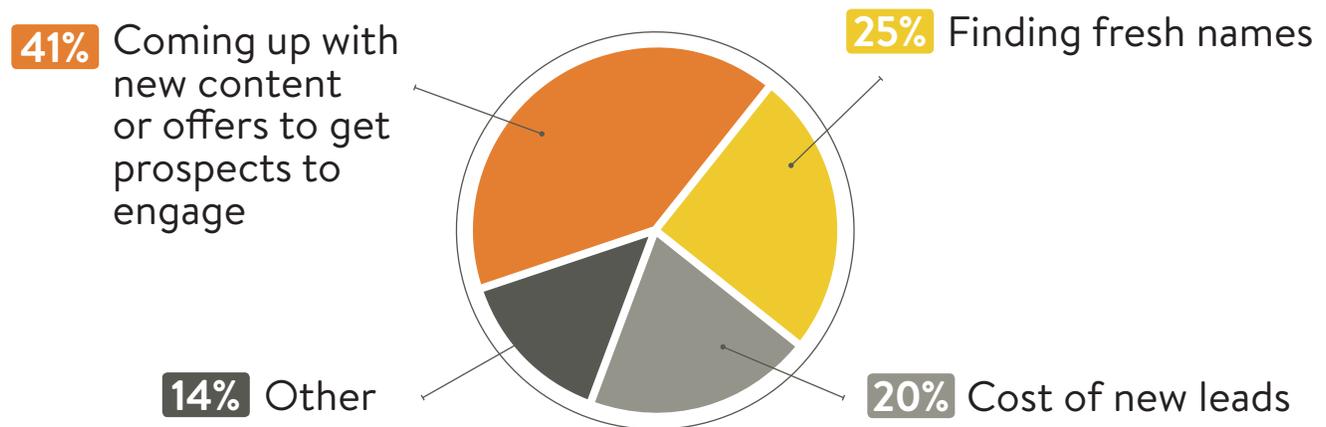
Source: PMMI Media Group **2019 Packaging End User and Supplier Buying Insights Study**; 249 machinery and materials end users surveyed.

LEAD GENERATION AND MANAGEMENT

Toughest Obstacle to New Leads Is Good Content

When it comes to lead generation, coming up with new content presents marketers' biggest obstacle: 41 percent ranked it as their top pain point. Many respondents stated they have difficulty accessing engineers and other technical sources to develop strong content. In many instances, writing and design resources are too stretched to provide the quantity of content development desired. Less than half of all packaging marketers go beyond offering basic spec sheets and product demo videos.

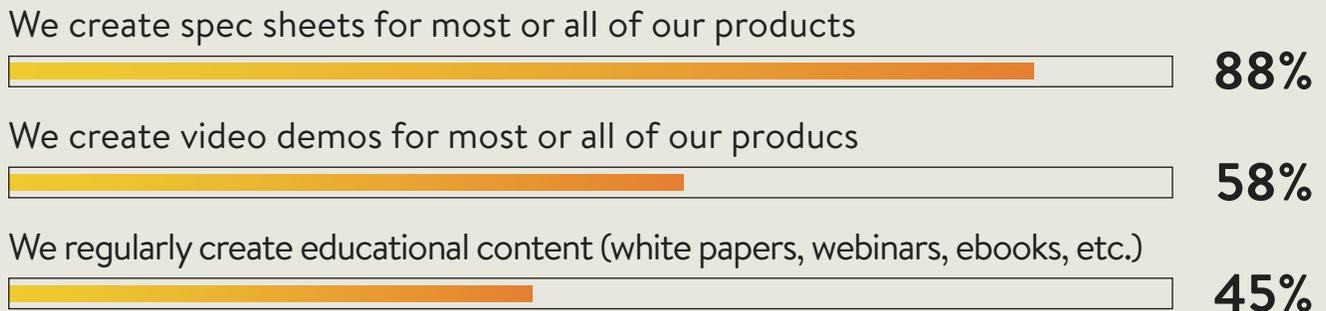
What is your biggest pain point in lead generation?



The takeaway? Content serves a key role in growing and accelerating sales funnel, and even more so as buyers increasingly turn to web resources to conduct research. Marketers will need to work harder and smarter when it comes to their content creation efforts, not only addressing specific prospect and customer needs but also taking advantage of versioning and repurposing to ease production burden. Some suppliers will be looking to external assistance for these efforts, as 25 percent indicated they are weighing investment in outsourced content marketing in the coming year.

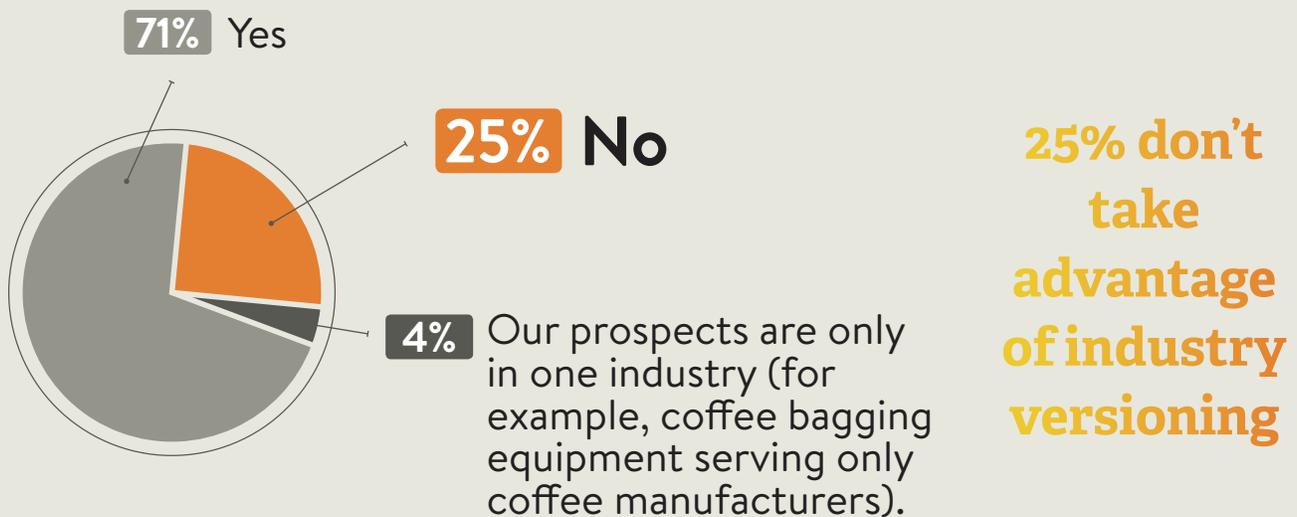
CONTENT NORMS AT A GLANCE

What types of content do you produce?



Only 45% Do More Than Basic Product Info

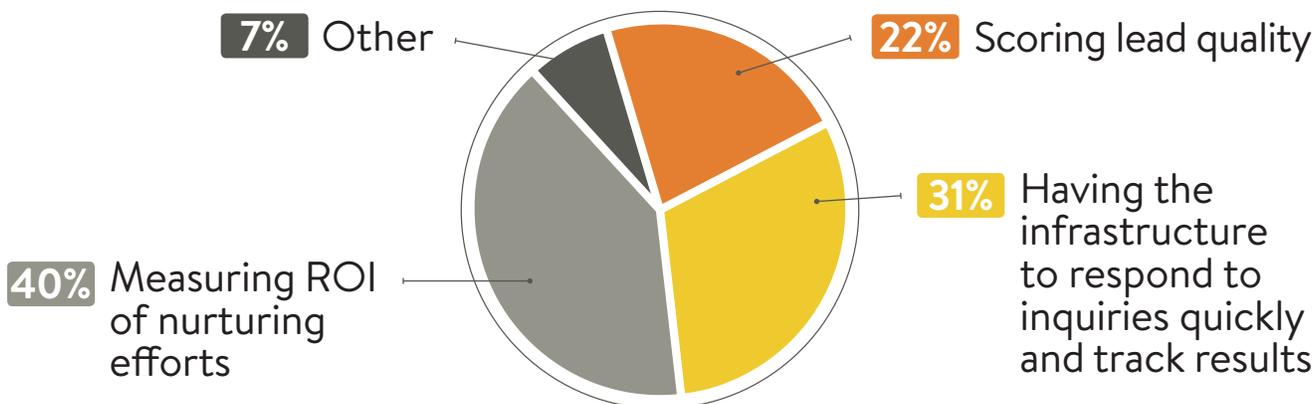
Do you create distinct content for prospects by industry?



Toughest Lead Management Challenge Is Measuring ROI

Marketers struggle with demonstrating ROI of nurturing efforts, with 40 percent ranking it as their top lead management pain point.

What is your biggest pain point in managing new leads?



The takeaway? Activity-based metrics, such as opens, clicks or views, are important for tracking engagement. But showcasing the ROI and revenue impact of a specific asset or content experience is much more difficult and will require tighter connections and insights into sales functions and outcomes.

As some respondents noted:

“Our sales cycle is too long, that makes the success of our efforts very difficult to measure.”

“Qualifying the leads generated by online marketing efforts is time-consuming.”

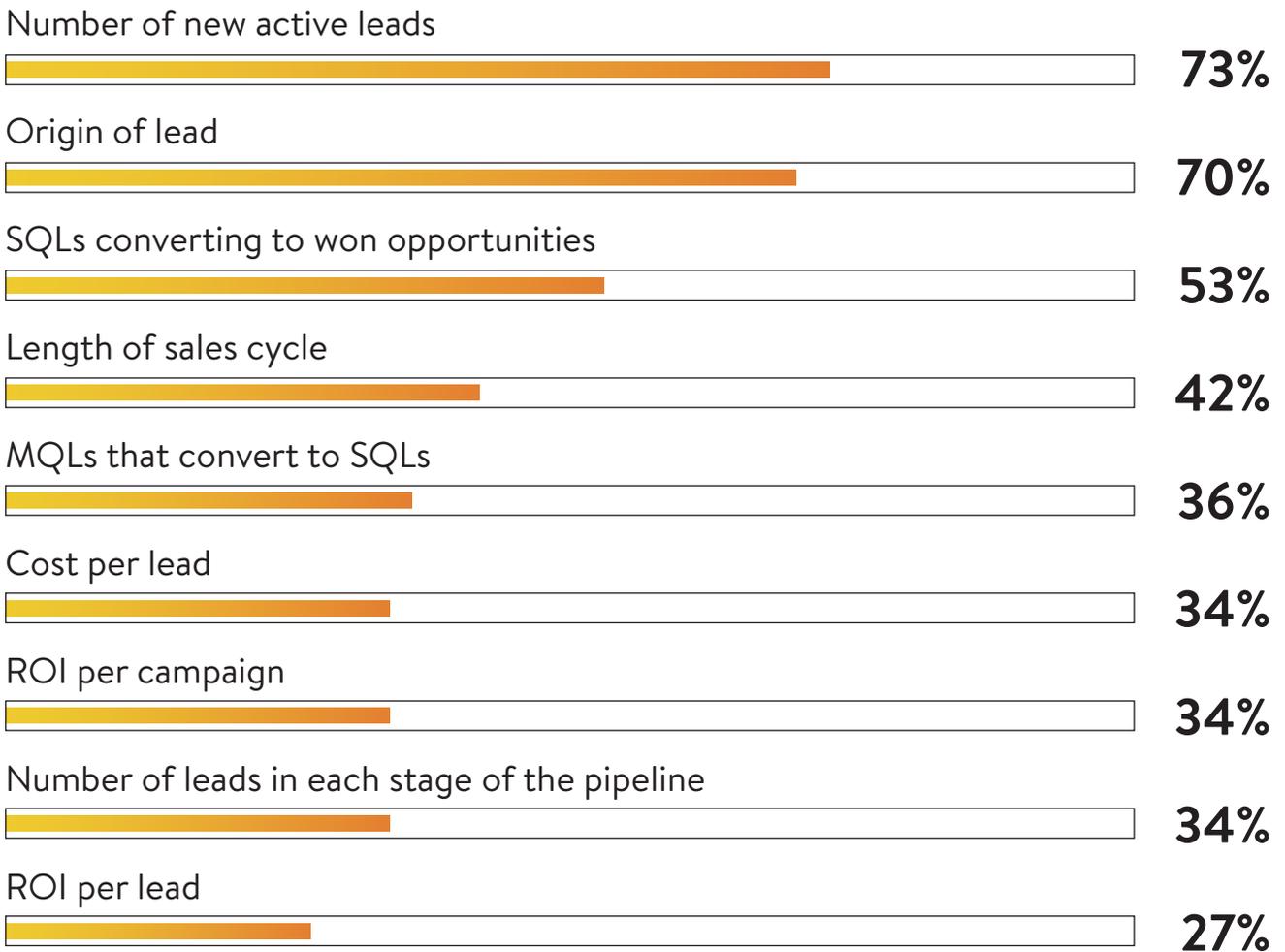
“We really struggle with understanding where prospects are in their buying cycle.”

“While we know we’re driving business, it’s hard to isolate variables to make the statement that this specific sale was the result of these particular messages.”

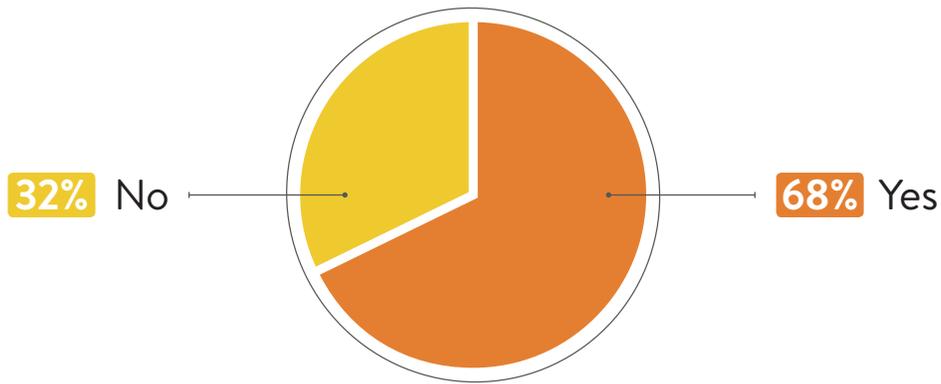
Lagging Performance Metrics Remain Largely Unstudied

While the majority of marketers know where leads are coming from and how many, they say lead progression after sales hand-off remains largely unknown. Only 36 percent of suppliers track how many marketing-qualified leads (account is in addressable market) convert to sales-qualified (account is in buying mode). Less than half of suppliers (42 percent) measure the length of sales cycle. And nearly one-third (32 percent) do not track won opportunities from trade show leads.

Which of the following metrics do you track regularly in relation to leads?

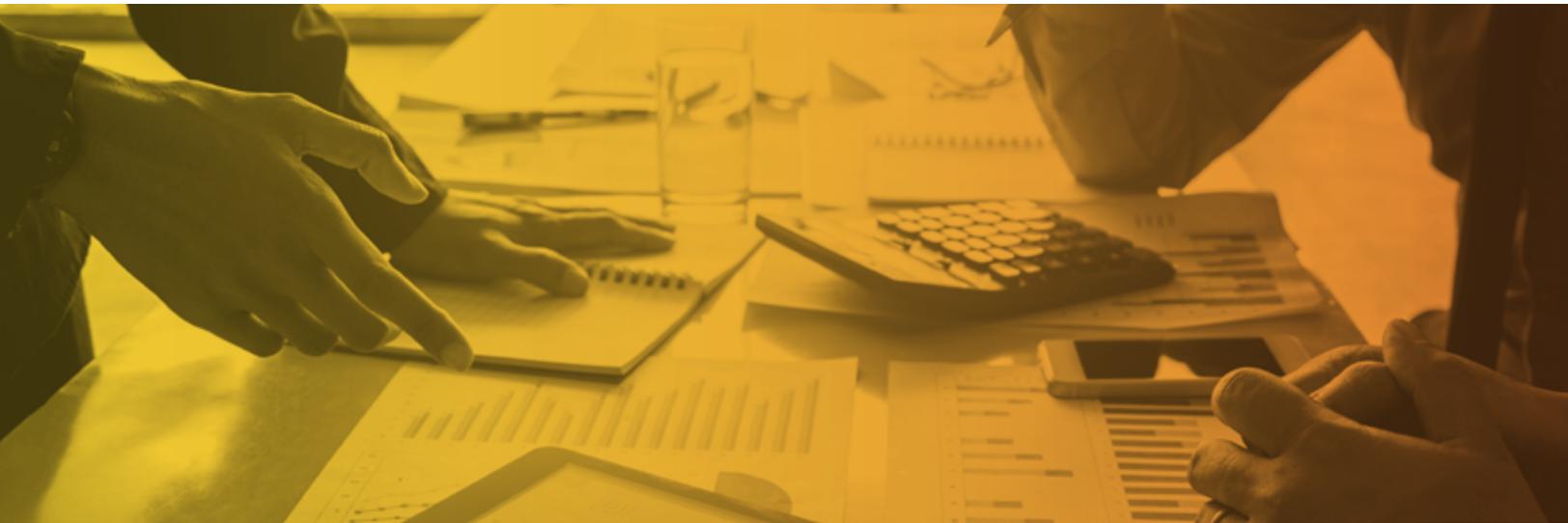


Do you track won opportunities of trade show leads separately from overall won opportunities?



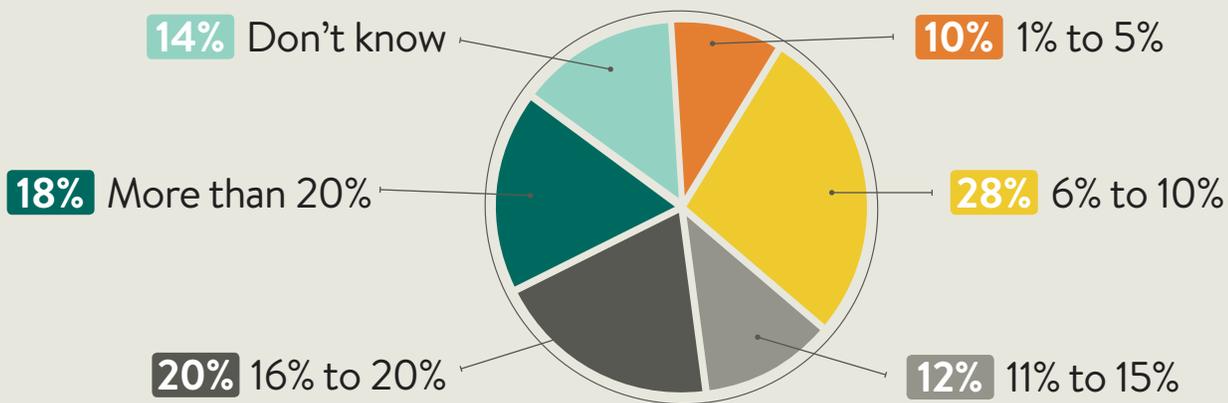
The takeaway? Recognizing the value of marketing efforts takes time. Lead value isn't just quantity of initial engagement. Tracking the relationship over the sales cycle—perhaps even several years for some equipment manufacturers—provides more useful insight into quality of engagement and a more accurate assessment of the return on marketing efforts.

You can't manage what you don't measure. The more adept organizations become at tracking lead origin and its progression through sales outcome, the easier it will eventually be for them to justify ad spend, empower sales teams with better leads and achieve greater ROI.



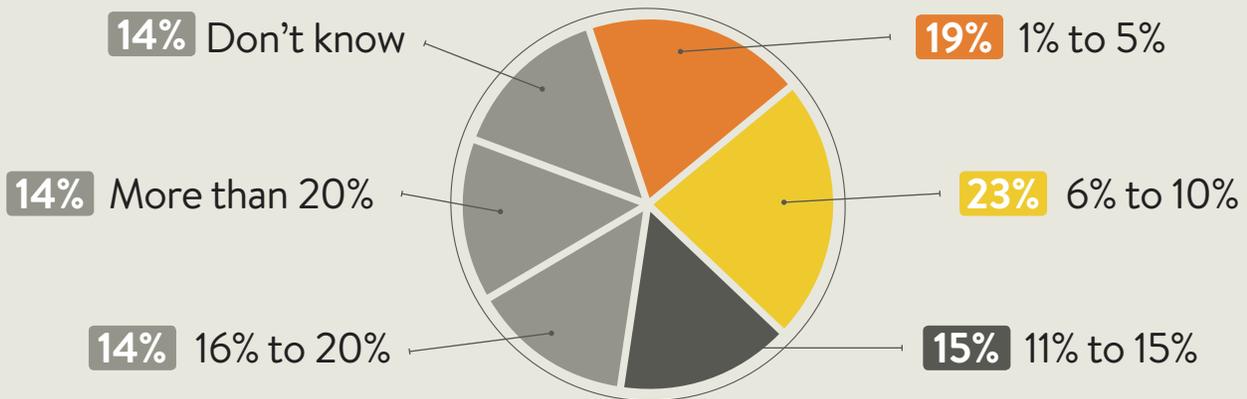
LEAD PERFORMANCE NORMS AT A GLANCE

What percentage of marketing-qualified leads typically become sales-qualified leads?



Fairly Even Distribution of MQL to SQL

What percentage of SQLs close into a won opportunity?



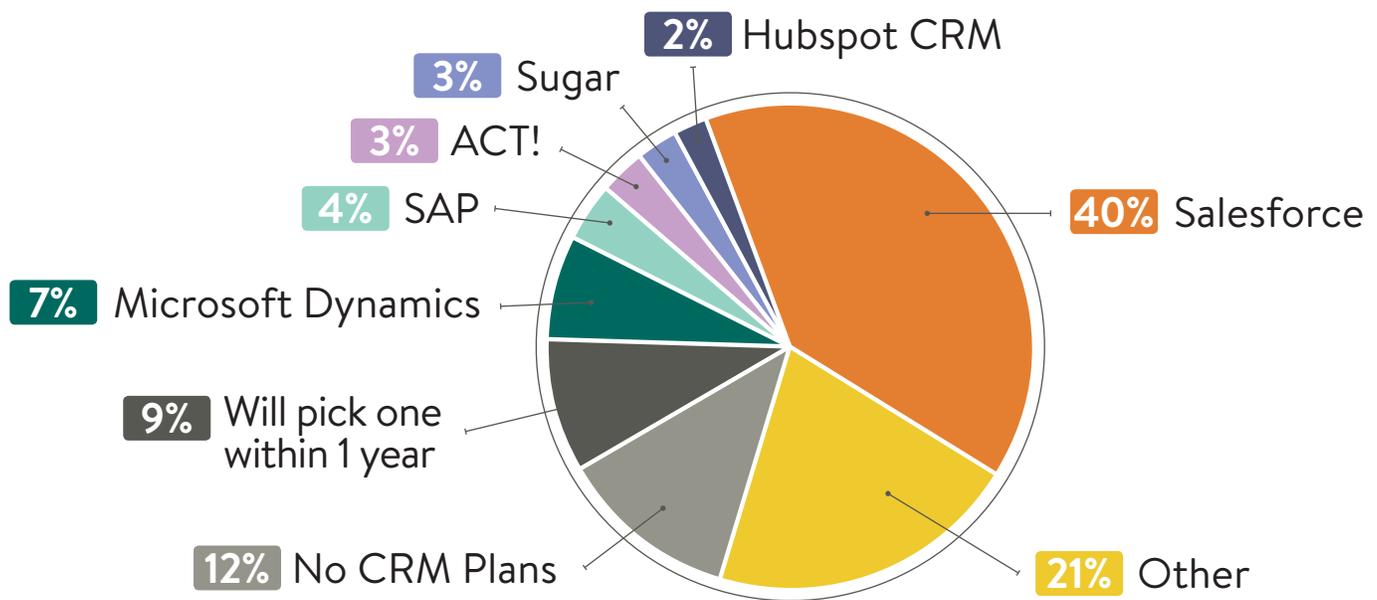
Most See Less Than 15% of SQLs Won

TECHNOLOGY USE

Salesforce Is the CRM Leader

Customer Relationship Management systems are a way to store information about customers, such as past purchase records, dates and notes of any conversations with sales staff and more. Having a full picture of who these contacts are and their history with the supplier helps make interactions personal and as successful as possible.

Which customer relationship management (CRM) system do you use, if any?



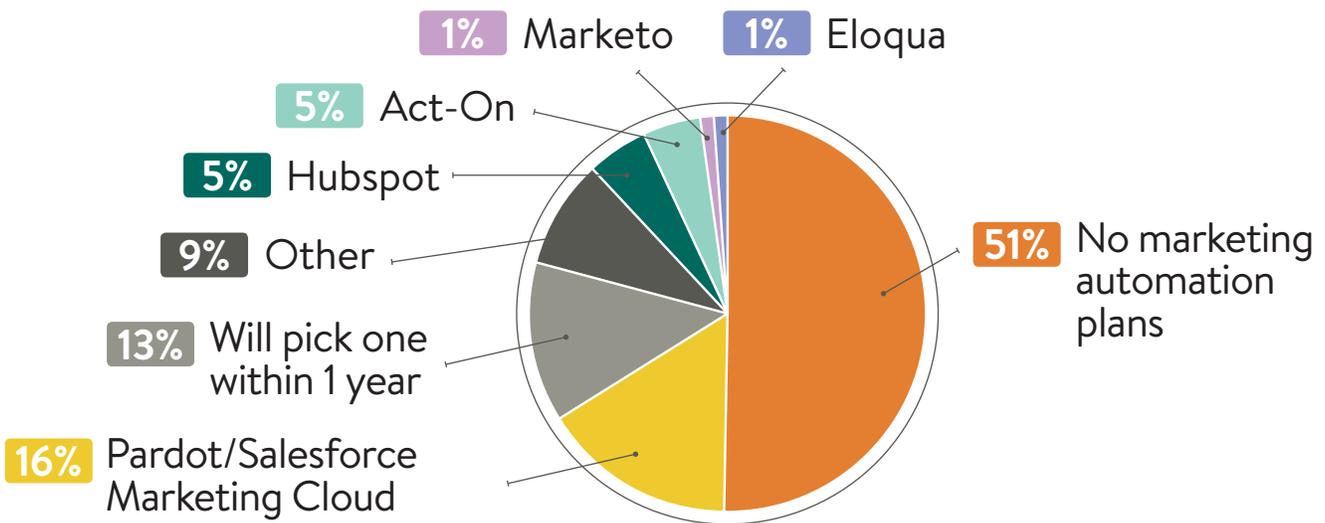
The takeaway? Having CRM automation is important for tracking leads after hand-offs to sales. As such, this foundation will eventually help marketers and sales teams more easily move from activity-based discussions to business-based discussions. This foundation also sets up well for integrating with marketing automation solutions.

Marketing Automation Is Increasingly the Norm

Marketing automation is designed to track top-of-funnel activities, such as when a prospect visits the supplier’s website, opens an email, or fills out a form, and can automate many repetitive tasks and reporting functions. As such, the platforms have the potential to significantly aid cross-channel marketing performance measurement, segmentation, lead nurturing and scoring. Combined with sales information, these insights are valuable to ROI measurement.

Within the next year, users and non-users of marketing automation will be about equal. Systems are diverse, with Pardot/Salesforce Marketing Cloud the most commonly used platform at 16 percent.

What marketing automation system do you use, if any?



The takeaway? Marketing strategies across the industry are poised for disruption, as suppliers become savvier about how they target prospects and customers—but only if these technologies can deliver on their promise. System implementation spans are long and the road isn’t easy. Expect fits and starts in taking on automation. Most organizations will likely excel in using certain functionalities while finding others simply too much time or effort for near-term pursuit.

With no clear platform of preference across the industry, those yet to adopt the technology will continue to face some challenge in vetting and selecting ideal programs. As one survey respondent noted: “I’m having difficulty finding software to fit my needs...most do some but none do all.”



TECHNOLOGY USE

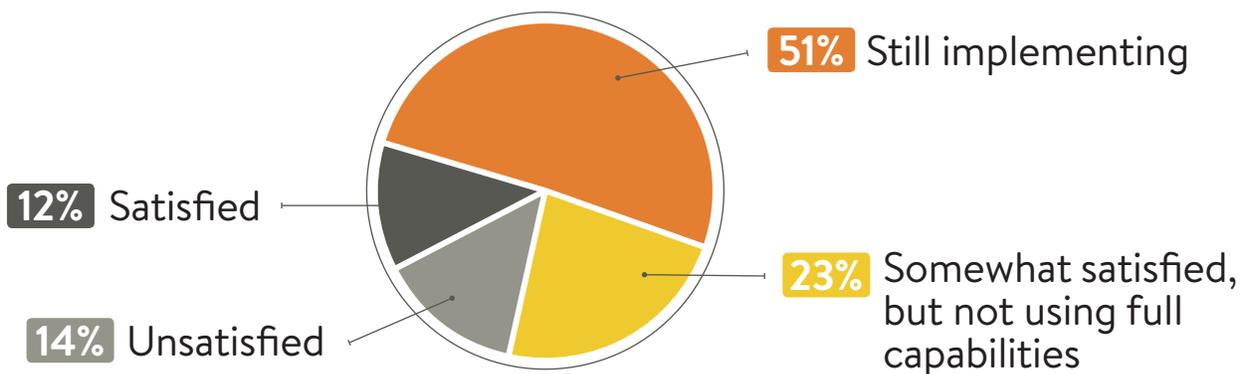
Success with Marketing Automation Remains Mixed

Marketing automation adoption by suppliers is in its early stages, with more than half of those who have adopted systems still in implementation (51 percent) or not using full capabilities (23 percent). Only 12 percent say they are satisfied with their system's performance.

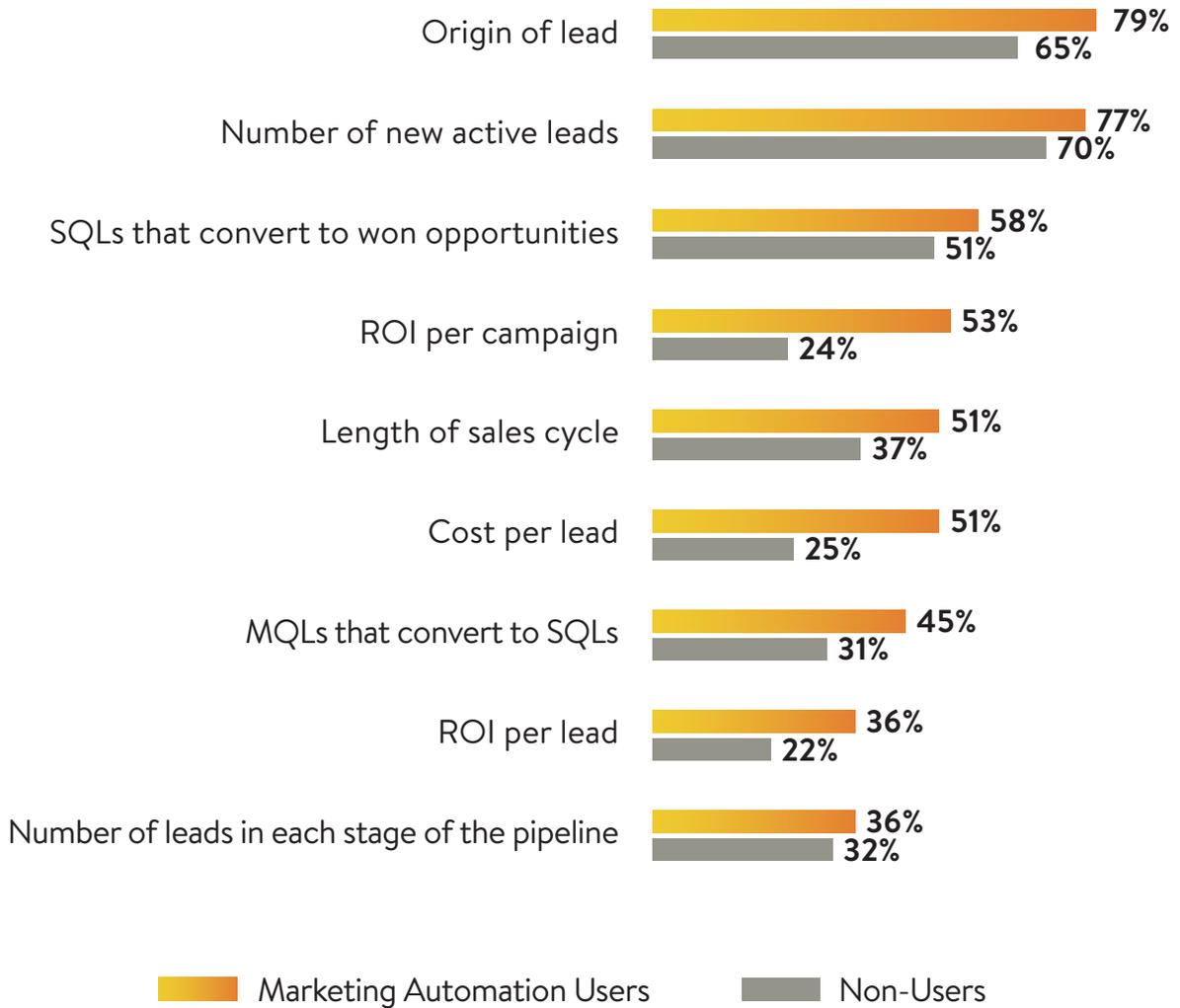
Notably, marketing automation users tend to track lagging performance indicators—such as lead conversions, length of sales cycle and ROI per lead—better than peers. This ability should provide an advantage when managing marketing resources for optimal ROI.

Interestingly, marketing automation users appear to struggle equally with non-users when it comes to scoring lead quality—something presumably the technology should be aiding.

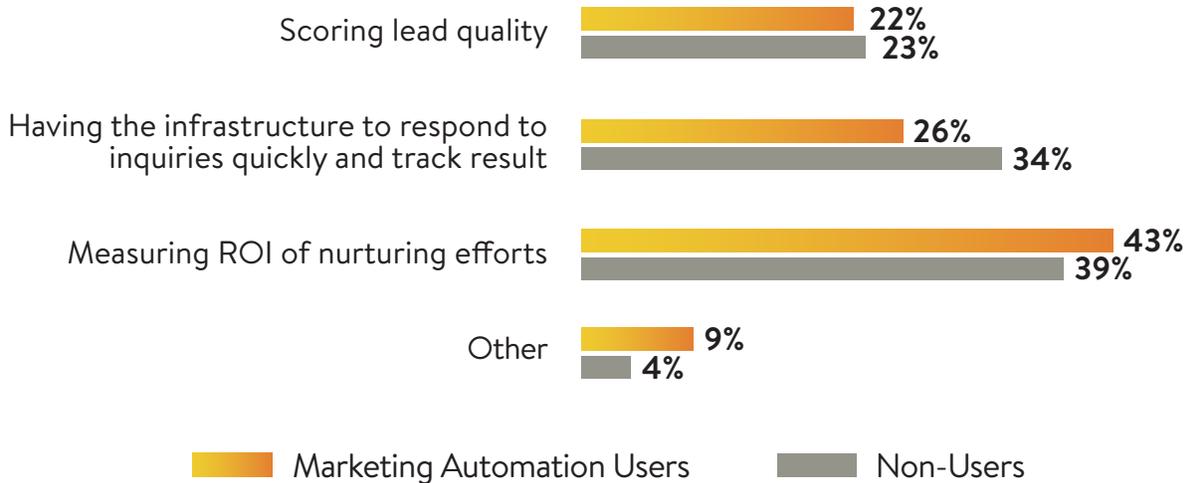
Which best describes your experience with your marketing automation system?



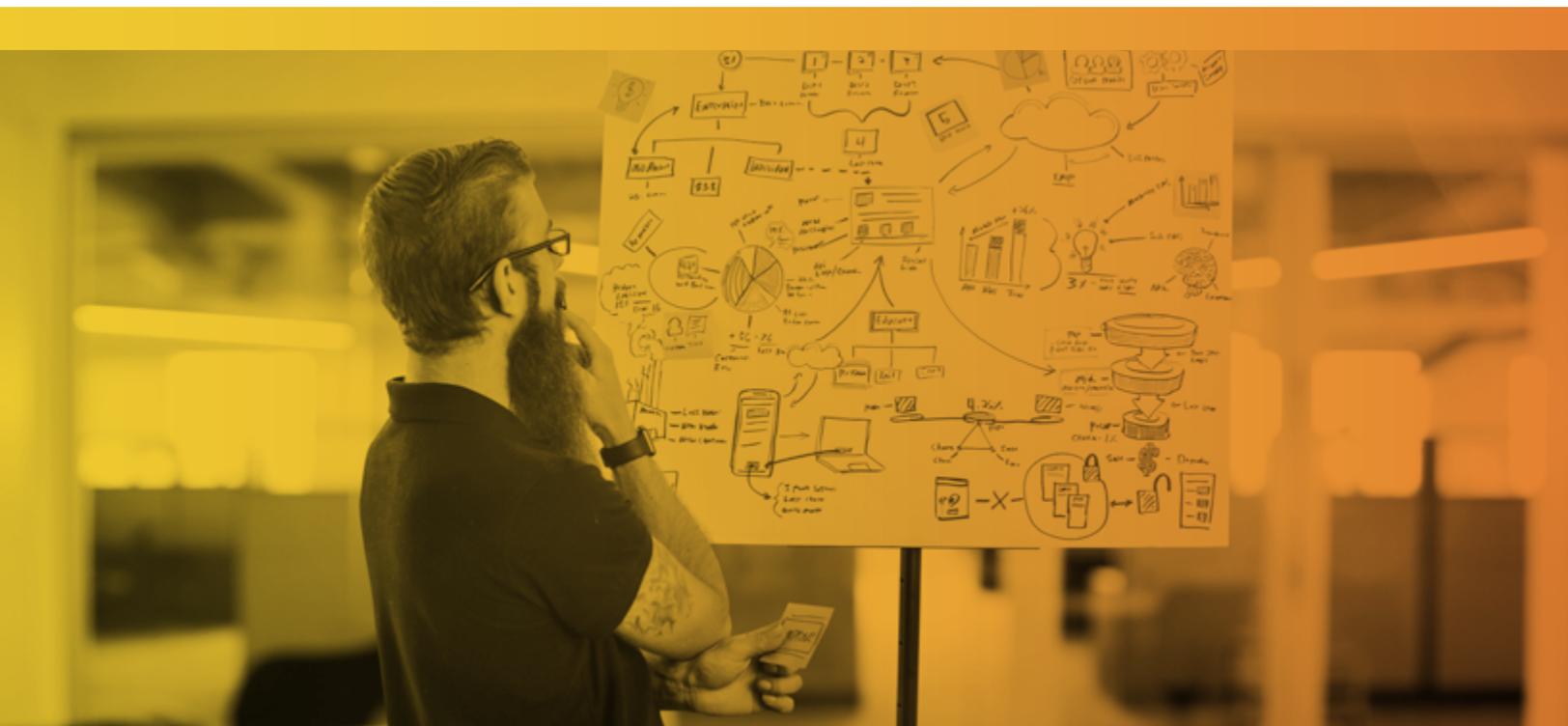
Which of the following metrics do you track regularly in relation to leads?



What is your biggest pain point in managing new leads?



The takeaway? Technology purchase is not a panacea. Marketers still have a ways to go in identifying the means to better understand lead progression resulting from multichannel campaigns and the impact on new business revenue.





CONCLUSION

PMMI Media Group's **2019 Packaging End User and Supplier Buying Insights Study** shows that suppliers need to be adaptable and proactive to meet the demands of potential customers. In particular, more resources earlier on in the buying journey and marketing efforts focused beyond known customers are necessary to sustain—and hopefully grow—pipeline.

With an increasing number of purchasers using company websites to research and evaluate purchases, success depends chiefly on three areas:

- Strong content that addresses needs across buying teams
- An easily searchable and self-service-oriented site infrastructure to optimize the researcher's time on page
- Channel strategies that are heavily focused on driving web traffic

It's no longer enough to reach out to known audience in your own database; Tactics must increasingly be outward, reaching prospects on multiple channels and where they already are consuming content. Improved insights into processes around qualification and ultimate sales influence will help modern marketers better navigate this increasingly complex landscape.

For additional resources on packaging supplier marketing trends and tactics from PMMI Media Group, visit insights.pmmimediagroup.com.



SURVEY METHODOLOGY

The **2019 Packaging End User and Supplier Buying Insights Study** from PMMI Media Group was a two-pronged project examining both buyer and supplier perspectives on changes in the research and purchase of packaging machinery and supplies.

For the ***Supplier Marketing Trends and Best Practices*** report featured within, PMMI Media Group surveyed the advertising community associated with *Packaging World*, *ProFood World* and *Healthcare Packaging* during May 2019. The survey was distributed by email, resulting in 154 participants (full completion).

marketing INSIGHTS

 **PMMI MEDIA GROUP**

Research featured within this report was conducted by PMMI Media Group's Marketing Insights division. For more marketing-related resources, see insights.pmmimediagroup.com.

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