How to ensure AR programmes deliver to the bottom line

A guide for technology companies looking to get quantifiable value from their analyst relations activities

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For The Comms Crowd

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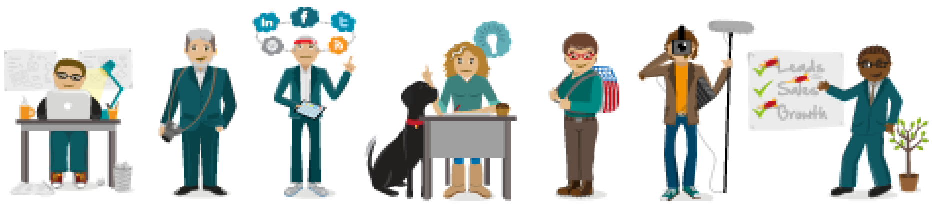

1. Introduction

This whitepaper is for comms directors who are looking to deliver tangible outcomes from their analyst engagement activities.

There are many reports out there about on how to conduct an analyst relations (AR) programmes, and you can also follow discussions on various LinkedIn groups too. Many of these cover some common areas, such as how to plan and execute good briefings or how to track and tier analysts. Yet some people find it difficult to measure the impact AR has on the bottom line. As a result, marketing teams struggle to extract and prove its value, thus being seen by the board simply as a cost centre.

In this white paper, we look at how to integrate your good work with analysts and your analyst work with wider marketing activities, ensuring everything feeds into your overall objectives.

First we'll take a look at what defines a successful AR programme. Then cover off four marketing headaches that analysts can resolve. Finally, we'll review key metrics, and how to engage analysts so that you consistently hit your numbers.

2. What defines a successful AR programme?

Successful AR programmes use analysts to improve lead generation, shorten sales cycles and retain customers.

When managing AR, companies should avoid briefing analysts simply with the short term aim of receiving positive feedback or a quote for a press release. Success has to have a positive effect on a company's bottom line.

Look at the bigger picture: Analysts influence purchase decisions, through their reports, recommendations or as a result of help given by analysts to position a company more effectively within its target market.

In a successful AR programme, marketing and business development teams work as one. They involve analysts in the different stages of their marketing and sales funnels. They make sure analyst feedback is shared internally with specific actions that result in the creation of compelling messages, a better strategy for competitive positioning, and customer-focused products and services.

2.1 Give your AR programme a health check

If you have an ailing AR programme, does it suffer from any of the following?

- Lack of strategic direction, or looking only for the endorsements or quotes.
- Focus is on one-off engagements rather than building a relationship.
- Lack of synchronicity, with briefings not timed around analyst research or events.
- Analysts are treated in the same way as press, when they are quite different creatures, requiring an entirely different approach.
- Lack of preparation and training before speaking to analysts.
- Analyst feedback is not shared internally.
- Your AR programme is detached from other lead generation and sales activities.

And when you analyse why your AR programme is failing, have you noticed any of the following struggles in your organisation?

- Difficulty forming an approach for new target markets as there is a lack of independent insight.
- Outdated knowledge of key business or legislative drivers.
- Assumptions have to be made of what drives competitive success without independent testing.
- Limited ideas for possible partnership strategies.
- Limited channel knowledge and insights into where prospects look for information resulting in no new routes to market.
- Poor understanding if company messaging are resonating due to an absence of message testing strategies.

2.2 Check list to get your AR programme back in shape

It’s really a matter of setting out your AR campaign with the same amount of diligence you would any other key engagement programme:

- Be clear of what you want to get out of an AR programme. Raising awareness is all well and good but, if it does not result in more leads or better client retention, then you need to change it.
- Get stakeholder buy in. Train spokespeople and teams about the value analysts provide.
- Develop proper metrics. Measuring briefing numbers and report mentions, running perception audits or getting placed in various analyst rating scales is all good. However, if there is no positive impact on the bottom line then you need to change your rethink the metrics you use.
- Define and target the right experts. Think about individual analysts and not just the firms they work for. Find out how they get information and influence decision-making processes. Don’t forget analysts from small or niche firms as they may have a unique market impact that you could leverage.
- Plan regular engagements to gain trust instead of one-off jobs every year, such as events. Be prepared to follow up with information that actually helps an analyst with their research.

3. Four major marketing headaches & how analysts can help

Having looked at the reasons AR programmes fail and what you need to do before speaking to analysts, we'll now look at some major problems time-deprived marketing teams face when running AR programmes. We'll also explore ways analysts can help them overcome these so they achieve their goals.

3.1 Are you making decisions based on accurate feedback?

In order to develop an accurate picture of your company's technology or services, you must first get the right feedback from customers, independent influencers and your employees.

Your problem: To do this properly, you need to have a well-defined process in place to ask the <u>right</u> people the <u>right</u> questions, process the answers and provide easy access to anyone developing marketing strategies.

When approaching customers for feedback, you need to try and get them to do so based on a full understanding of the key competitive options available. You need to understand why they bought from you but might not do so again, or what their biggest frustrations are with vendors in your sector(s). Finally, you must understand where they look for information and how they make purchase decisions. This will help you direct resources to the most appropriate channels.

Feedback form prospects needs to come from those who want what you offer and are actively looking for a solution to specific problems that you can provide. More importantly, they should have the money to buy from you and be easily reached by your marketing efforts.

The feedback from your employees needs to reach consensus across the various teams. There is nothing worse than having the sales and marketing teams disagree on the best action to take to generate leads or because of internal feuds.

How analysts can help: All the feedback from the customers, prospects and staff needs to be independently analysed or verified. This is where analysts step in. They should be used to sanity check feedback and company-led competitor research. They will compare it with opinions they get from end-users or your competitors. Based on this, they can advise you on how to use the feedback to change your product or service strategies.

Analysts also have a good knowledge of potential target markets and will give you advice on how best to reach out to them. They know the drivers and trends that impact purchase decisions. Though bound by client confidentiality, their inside knowledge should be tapped to re-focus your marketing messages and tactics. Analysts also monitor regulatory and industry trends and will suggest markets to consider that you might have ignored.

3.2 Do people REALLY know what they will get from the description of your products or services?

It's all too easy to sound like a 'me too' company and fail to nail what it is about your product and services that truly differentiates you in a crowded technology market place.

Your problem: If you only offer services, this can be one of the hardest things to define correctly. How do you convince prospects to buy from you if it takes time to realise any major benefits? Are you confident that the way you have named or packaged what you sell clearly articulates the benefits that clients would get if they bought from you? If prospects don't know what benefits they get from what is on offer, then price is all they'll use to make purchase decisions. The impact on your bottom line is huge if your competitors package themselves much better than you do. Quite often, poor product packaging happens when marketing and sales teams don't interact effectively.

How analysts can help: Analysts can provide guidance regarding product or service packaging as part of wider marketing efforts. Their unique insight into the various strategies used by competitors, means they can help build services around your unique perceived benefits (UPBs). They can also show you how to break services down into logical processes that are easy to follow and which, more importantly, clearly show what prospects will get.

3.3 Do you know your customers' lifecycles and do you change the way you provide value to them over time?

A customer lifecycle is the journey someone makes from the initial discovery of your products / services to being a client. It is important to understand lifecycles so that you manage client relationships effectively and tailor your messages or services accordingly.

Your problem: Marketers, therefore, always need to answer the following questions so that they add value to each stage of a customer lifecycle: What factors influence initial purchase decisions within specific niches? What do competitors offer? What end results do clients actually desire? What are the market / technology changes that impact the continued use, or upgrade, of specific technologies or services? Without this information, marketers will struggle to effectively manage each step of a typical customer lifecycle. For example, think of companies that have simply tried to renew contracts or upsell additional services without tracking client needs properly. Tales of woe after deals have been signed are common, and a lot of this is down to the inability to manage the various stages of customer or partner lifecycles effectively. When you are fighting day-to-day battles and trying to get quick wins to justify marketing budgets, it can be hard to step back and have a big picture view of whole lifecycles and the different engagement methods necessary to nurture early prospects or long-term clients. Getting independent feedback on how best to do so might not be something you have considered.

How analysts can help: Analysts, especially those that have a good knowledge of licensing and contracts, can provide independent advice to companies to help them manage customer lifecycles better. Of course, the products and/or services you provide have to be spot on in the first place. However, given the fact that there is almost always an alternative choice that could be made, marketers should use industry analysts to stop customers getting fed up and looking elsewhere because their continually changing needs are not being met.

3.4 Are you using the right traditional and social media channels to communicate?

Every marketer knows they have to communicate through the media channels that their prospects and clients use to look for information.

Your problem: Whatever media channel you use to generate leads, solidify thought leadership or remain top of clients' minds, you need to know which ones the analysts use to share information. For example, you need to know whether you potentially lost a deal because of comments made by an analyst via a blog or online forum. The problem here for marketers is the perceived loss of control and the lack of resources to do this effectively. It can be tough to justify the time and effort given the tight budgets many marketing departments have. It all comes back to the feedback you collected from clients and prospects (see part 1 of the series).

How analysts can help: If prospects / clients are influenced by specific channels that analysts also use, then you need to make sure you engage with the analysts via the same channels (on top of regular briefings) so that you can positively influence their output. Commenting on their blogs and participating in discussions helps you understand the frustrations analysts have with technology vendors. It also means you engage with them more effectively and, hopefully, can convert them into advocates.

4. Metrics to measure

If you don't know your key marketing and sales metrics, how do you know what needs to improve? And if you don't know what needs improving, then what is the point of doing AR?

Typical metrics you need to know include:

- Number of enquiries for a product or service
- Number of referrals made by existing customers or partners
- Percentage of enquiries and referrals converted into RFPs
- Typical lead response times
- Number of RFPs that convert into actual sales
- Number of active customers
- Total spend per active customer
- Customer churn rates
- Gross revenue
- Gross profit
- Marketing costs
- Marketing costs per enquiry
- Marketing costs as a % of gross profit
- Cost of sales (i.e. cost of converting RFPs into actual clients).

Once you have this information and can pass it along to your analysts, it is easier for them to compare you with competitors and work with you to identify specific activities or messages that need to be improved. Tap into their knowledge of industry go-to-market, partnership and channel strategies. Use their unique insight into competitor or industry-wide metrics to test how well you are doing. Most of the time, all you have to do is position your company more clearly in your target markets. If the analysts don't believe your messages resonate with the needs of your prospects, you will need to keep tweaking.

The key marketing metric take-away is this: analysts can only help you improve your marketing and sales metrics if you measure them properly in the first place.

5. Conclusions

AR is often seen as an add-on to marketing and PR activities that is hard to measure and whose budget is hard to defend. It can be tough to stick your neck out and plan long-term engagements when we are all judged on quick wins.

But, trust is a hard thing to come by now, and we are pretty cynical about most of the content and claims from many technology companies. Engaging with analysts, earning their respect and winning their support can deliver the essential credibility factor into the marketing mix.

About the author

Eria is a member of the IIAR and has over 15 years' experience in analyst relations and marketing. He started out as a post-doctoral researcher, before moving to analyst house, Datamonitor. He then joined Metia, the integrated digital marketing agency, as an account director where he went on to head up analyst relations for London and New York working with a portfolio of technology clients. He has been an independent consultant since 2009 and a founding member of [The CommsCrowd](), where he runs UK & US analyst relations programmes for our clients.