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 Bc. Petr Báša

University of Economics, Prague

Faculty of Business Administration

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Digital marketing strategy for generating sales leads – case study of Hilti

Author: Bc. Petr Báša
Supervisor: doc. Ing. Miroslav Karlíček, Ph.D.

Declaration of Authenticity

I hereby declare that the master's thesis presented herein is my own work, or fully and specifically acknowledged wherever adapted from other sources. This work has not been published or submitted elsewhere for the requirement of a degree program.

Prague, May 16, 2018   Bc. Petr Báša

Acknowledgement

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Abstract:

This research endeavors to identify the key success factors of digital marketing communication strategy with the goal of generating leads for Hilti strategic services. To reach the goal of the study, qualitative research method in the form of semi-structured interviews with marketing and sales managers was used. Among the outcomes, we have identified the potential for greater integration between the sales and marketing departments in several areas, creating awareness as the prerequisite for lead generation, the focus of quality of leads instead of quantity, clearly defined and transparent lead follow-up process and delivery of comprehensible content integrated across all channels. Two internal barriers hindering an effective lead generation process were discovered. All the outcomes are addressed in the managerial recommendations section of the study.

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List of abbreviations

MO – market organization

AM – account manager

TS – territory salesman

ASM – area sales manager

CRM – customer relationship management

B2B – business to business

B2C – business to consumer

ROI – return on investment

DMC – digital marketing communication

INP – introduction of new products

Introduction

Hilti has been an innovative company ever since its inception, striving for market leadership and differentiation. Throughout its history, Hilti has always followed the voice of customers, which was the reason why they started offering the lease of tools instead of just selling them, even if it meant a major change for the company. It required shifting the whole administrative structure, creating a completely new pricing policy and undertaking a huge investment. But Hilti was willing to adapt and incorporate this huge scale change. Then, approximately three years ago, in reaction to digitalization becoming a major part of people's lives, Hilti saw potential in offering a service for digitally managing all customers' assets – from tools and consumables to employee and service certificates. This is yet another ambitious solution, which should help Hilti in achieving a stronger relationship with their customers and in becoming the true strategic partner for them instead of being only a tool supplier.

This change is connected with many challenges, from the actual development of the software to training the salesforce and most importantly persuading the customers that a tool seller is now capable of providing them with a software solution that will help them manage all their assets and improve the processes associated with it. This is a challenge faced by the sales representatives and consultants, while they are already in contact with a customer. The marketers however, are facing a different challenge even before it comes to this stage. And that is how to attract the right customers and get them interested in these solutions, so they would understand the benefits they bring and would be willing to speak to the salesforce about them. What makes the process even more difficult is the character of the services. Both the tool management and the asset management services present large investments and change in processes for the customer, and therefore the decision to implement them needs to be made through the decision makers on the highest level in the company. Hilti marketing managers have to find ways to reach those people, who are mostly in management or C-level positions and persuade them about the need for their company to implement Hilti tool or asset management solutions. And when they manage to get an initial sign of interest, they need to keep it alive and build it up, until those people become sales-ready leads and can be taken over by the sales representatives.

The author's genuine interest in marketing and the desire to gain insight into the field of digital marketing, both theoretically and practically, were the main motivators for choosing this topic. On top of that, the author was working as a marketing intern in Hilti Czech Republic and writing a master's thesis was a great opportunity to get more insights into the company. In the literature review, the author begins with outlining the different roles of marketing function and types of marketing department's relationship with sales. Common issues that can arise and benefits if these departments work well

together, especially connected to lead generation, are also presented. The next part focuses on lead generation, presenting definitions and the lead generation process explained through the sales funnel framework. The following part dives deeper into the digital marketing communication and its relevance to lead generation and presents its objectives, tools and barriers to a successful lead generation. To establish an understanding of the specifics of the marketing communication of services in B2B environment, the author devoted one part of the literature review to this topic. In the original research, the author applies qualitative research method in the form of expert interviews to investigate the relationship between marketing and sales departments, the objectives, tools and form of digital marketing communication for generating sales leads and the barriers to successful lead generation and presents the research method, outcomes and managerial recommendations.

The main research question of the study reads: **What are the key success factors of a digital marketing strategy with the goal of generating sales leads for Hilti strategic services?** In order to get insights into the digital marketing environment in Hilti and to eventually be able to answer this question, the author talked to marketing and service managers from those Hilti countries that have some experience in digital marketing communication of the services. The author also conducted interviews with sales managers, to get insights into a more customer-centered approach. This helped to reveal the difference in the two departments' opinions a view on the discussed problems. The author summarized the findings by identification of the main success factors of lead generation strategy and outlined the recommendations for managers at Hilti. Most of this study's findings cannot be generalized across different industries and types of companies, as they represent the view of several representatives of a specific company. Inspiration from the results can be taken, as some of them are in line with the generally accepted literature, there is however a need for further validation.

1   Literature review

1.1   The role of marketing and its relationship with sales

Before we turn to the subject of lead generation and its relationship with digital marketing communication, we need to outline and examine the relationship between Sales and Marketing and particularly the role of marketing department.

The tension between Marketing and Sales has been a persistent issue in many companies. As (Kotler, Rackham, & Krishnaswamy, 2006) describe it: "Marketing and sales are two separate functions within an organization, and, when they do work together, they do not always get along. When sales are disappointing, Marketing blames the sales force for its poor execution of an otherwise brilliant rollout plan. The sales team, in turn, claims that Marketing sets prices too high and uses too much of the budget… More broadly, sales departments tend to believe that marketers are out of touch with what's really going on with customers. Marketing believes the sales force is too much focused on individual customer experiences, insufficiently aware of the larger market, and blind to the future." When these departments work well together, companies see substantial improvement on important performance metrics: Sales cycles are shorter, market-entry costs go down, and the cost of sales is lower (Kotler, Rackham, & Krishnaswamy, 2006). It is important to note, however, that the differences between sales and marketing departments do not necessarily have to be detrimental. Whether the final effect on business performance will be positive or negative depends on the kind of differences both departments have. Different orientations between marketing and sales have a positive effect on overall market performance, whereas different competences have a negative effect on overall market performance. This means that differences in regard to customer (versus product) orientation have a positive, direct effect on the market performance of the company. In a similar way, differences in regard to short-term versus long-term product orientation are beneficial. On the other hand, differences in product knowledge, differences in interpersonal skills and differences in competencies are bad for market performance (Homburg & Jensen, 2007).

The nature of marketing as practiced in firms varies across industries. In some industries, the major role marketing department performs is lead generation whereas in some other industries, marketing department may simply be creating marketing communication or supporting the sales organization in their day-to-day tasks (Malshe, Sohi, & Krush, 2017). Moreover, the marketing function takes different forms in different companies at different product life-cycle stages – all of which can deeply affect the relationship between sales and marketing departments (Kotler, Rackham, & Krishnaswamy, 2006). Kotler divides the nature of the marketing function into three

stages. Some businesses do not have a formal marketing group at all. Ideas for marketing communication come from managers, the sales force or an external agency. This is often true for smaller and young companies. In the second stage, businesses have a marketing person or department. They conduct research to estimate the size of the market, choose the best channels, and determine potential buyers' motives and influences. They develop collateral materials to help the sales force attract customers and close sales. And, finally, they find and qualify leads for the sales force. As companies become larger, there is more to marketing than setting the four P's. Executives determine that effective marketing calls for people skilled in segmentation, targeting, and positioning. Marketing department becomes an independent player and starts competing with sales for funding. While the mission of sales department does not change, the mission of marketing does, and this is the point, when the disagreements arise. (Kotler, Rackham, & Krishnaswamy, 2006)

The nature of the marketing function in the company provides a basis for the type of relationship marketing department has with sales. The type of relationship can change as the marketing and sales functions mature and the two groups can move from being unaligned to being fully integrated. Kotler et al. identify four types of relationships – undefined, defined, aligned and integrated.

When the relationship is undefined, each of the groups is occupied with their own tasks and agendas and does not know much about what the other group is up to. Meetings are usually ad hoc and more often the purpose of them is conflict resolution rather than proactive cooperation. In a defined relationship, there are processes and rules in place – to prevent disputes. The marketers and salespeople know who is supposed to do what and they mostly stick to their own tasks. The groups start to communicate and build a common language. They also work together at events like customer conferences or trade shows. When the relationship between sales and marketing departments is aligned, there are still boundaries between the two, but they are flexible. The groups engage in joint planning and training. They understand and start using common terminology and marketers consult important accounts with sales people. When sales and marketing departments are fully integrated, boundaries are blurred. Both groups share the same structures, systems and rewards. They begin to focus on strategic, forward-thinking types of tasks. They develop and implement shared metrics and budgeting becomes more flexible and less contentious. (Kotler, Rackham, & Krishnaswamy, 2006)

Marketing and sales functions usually have different roles in the Buying Funnel. Let us first define the Buying Funnel itself. The common view on the buying funnel is that it presents a staged process for describing the way consumers make their buying decisions, from becoming aware of the existence of a need all the way to the final purchase of a product or service that addresses this need (Ramos & Cota, 2009). Although there are various labels for each stage, the common stages always include

Awareness, Research, Decision (Need) and Purchase (Simon, 1977). We will use the sales funnel from Kotler et al. to explain how the relationship between sales and marketing departments can be affected by it and the what does the integration of these two functions bring.

Figure 1: The Buying Funnel

Source: Adapted from (Kotler, Rackham, & Krishnaswamy, 2006)

Marketing is usually responsible for the first few steps – building customers' brand awareness and brand preference, creating a marketing communication plan, and generating leads for sales. Then sales department executes the plan and follows up on leads. At the same time, sales department usually develops their own funnel describing the sequence of selling tasks. This clear division of labor has merit, but when things do not go well, the two groups can start blaming one another for the failures – sales department can say the leads were not qualified enough and marketing department can claim that the salespeople did not work hard enough. In some cases, marketing can become integrated into the sales funnel. This means that during prospecting and qualifying the two departments create common standards for leads and opportunities. In the needs definition stage, marketing helps sales department develop value propositions. In the solution development phase, marketing provides organized templates and customizing guides. When customers are close to a decision, marketing department contributes case study material, success stories, and site visits to help address customers' concerns. And during contract negotiations, marketing department advises the sales team on planning and pricing. Sales should of course be involved in the upstream process and help marketing decide how to segment the market, which products to offer to which segments and how to position the products (Kotler, Rackham, & Krishnaswamy, 2006).

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Furthermore, marketing and sales systems integration (i.e., marketing automation and CRM) can significantly improve the efficiency of marketing and sales organizations. Marketing departments can transfer qualified leads to sales departments without requiring manual input, and sales departments can thus receive leads more quickly (Järvinen & Taiminen, 2016). The case study by Järvinen and Taiminen also emphasizes the integration and cooperation of marketing and sales departments and their collaborative planning and functional alignment as one of the prerequisites of a successful lead generation process. It concludes that the decision to treat marketing and sales departments as integrated elements of the sales process has been important to be able to systematically manage incoming leads at different phases of their purchasing processes, nurturing them and identifying as qualified to be contacted by the sales force (Järvinen & Taiminen, 2016).

Another study concluded that interdepartmental (sales and marketing) cooperation in the company positively influences the use of social media among the sales force. In addition, the results indicate that sales performance is positively affected by the use of social media, because in an organization that has a high degree of inter-departmental cooperation, sales force will likely be more aware of the firm's overarching social media strategy and be more comfortable with the resources as a whole. This can be further enhanced through developmental training in the organization (Groza, Peterson, Sullivan, & Krishnan, 2012).

Lead generation is therefore not a responsibility carried completely by one or the other department. It is a part of both departments, who need to work together on topics ranging from revenue goals backward to opportunities and qualified leads. They need to get aligned on messaging, ideal customer profile, lead definition, qualification criteria, etc. In sum, lead generation should be a shared responsibility to generate revenue, and understanding who is doing what, and improving collaborating will achieve better results (Carroll, 2018).

1.2 Lead generation

 "Lead generation are the marketing activities the inherent objective of which is soliciting clients and creating a valuable client base. Lead generation assists organizations in achieving a greater brand awareness, building relationships and attracting more potential clients to fill their sales pipeline (Stevens, 2011)." Lead generation involves identifying prospective customers and qualifying their likelihood to buy in advance of making a sales call. Perhaps the simplest explanation of lead generation is getting people to "raise their hands" and say they are interested in buying or learning about an available product or service (Lukowski & Świeczak, 2016). Sales people are an expensive resource for a company. The job of lead generation is to make them more productive. So, it is not about a wide reach and a lot of volume. In fact,

fewer, better leads trump more, lower quality leads every time. Second, lead generation tends to be down there on the ground. It is about helping sales, driving results in the field, and connecting to revenue (Stevens, 2011). Based on the abovementioned information, we can define a lead as a person, who has identified her/himself as a candidate that can potentially be turned into sales. Their nature differs depending on where they are in the purchase funnel (Lukowski & Świeczak, 2016).

There has been a paradigm shift going on lately, the role of a marketer has evolved from being a broadcaster to an aggregator, who brings content together, and a discussion moderator. Marketing communications now includes creating online communities, generating leads from online environments and collaborating with customers to gain a better understanding of their needs (Weber, 2009). This is referred to as inbound marketing, defined as creating quality content that pulls people toward the company's product or service and naturally attracts consumers' interest, which down the road helps with converting them into customers (HubSpot, 2017). On the other hand, outbound marketing is defined as interruption-based marketing. Its premise is to find a medium with a large following and periodically interrupt that following with disassociated ads. The hope is a percentage of the audience will listen to the interruption in the storyline and convert in to a customer (Gregg, 2014). Various studies have shown that inbound marketing approach resonates better with potential customers and brings better results in lead generation. A study from Boston Consulting Group concluded that inbound marketing generates leads that are cheaper and higher quality than outbound, they yield more data about the needs and interests of a customer, which makes them easier to follow up on. Companies can then engage in informed conversations about their services and features, based on a comprehensive understanding of the customer and his/her interests (Premo, Andersen, Wenstrup, & Taneja, 2016).

The main difference between lead generation and general advertising is that it relies on direct marketing, also known as direct-response marketing communications, which goal is to motivate an action. The action can be a click, a phone call or a store visit – depending on what the marketer's goal is (Stevens, 2011). The uniqueness of lead generation is in the diversity and multichannel nature of the possibilities created by strategy. If the objective is to achieve success and develop the business, all the attention cannot be focused on one tactic alone with the rest being ignored. It should therefore be understood that the adoption of new lead generation tactics is a "trial and error" process. The marketing department usually requires several tests to be performed with the new lead generation tactic before they learn how to harness its benefits (Lukowski & Świeczak, 2016).

A qualified lead possesses several characteristics. There is a common acronym used to describe a qualified lead called BANT: budget, authority, need and time frame. For firms selling professional services, (Schultz & Doerr, 2009) suggest adding "fit" to

these four characteristics. Budget is quite straightforward – the buyer has to have an ability to spend money on the service offered by the supplier. The buyer also needs to have the authority to decide to allocate the budget to be spent for the supplier's service. The need for a service is essential from the buyer's side. They might have the funds and the authority, but if they do not perceive a need, they will never buy the service. Leads can be divided by the time frame they have set to buy the service into short-term and long-term leads. Short-term leads are those, who have a set time frame to buy in the near future. If there is no set time frame, we consider these long-term leads. Even if a particular lead possesses the BANT characteristics, not every service provider will be the right fit for them. If the fit is poor, the relationship can often create inefficiencies, low margins and unsatisfied clients (Schultz & Doerr, 2009).

While, it may be tempting for some firms to focus on generating short-term leads with the outlook of closing them as soon as possible, the most successful service firms focus on generating and nurturing long-term leads. Most professional services firms are not able to motivate a prospect to buy their services on impulse, but they can do it over time (Schultz & Doerr, 2009). Research shows that only 27% of B2B leads are sales ready when first generated, and therefore need to be further nurtured to convert in future (Chaffey, 2017). Lead nurturing is defined as a relationship-building approach that supports the prospect's buying process with relevant information until the prospect is deemed ready to be transferred to sales. In order for lead nurturing to be successful, if requires delivering the right content at the right time, in the right medium. The right mix differs from one company to another, and the only way to know exactly what content to deliver when and how, is to identify what kind of content will resonate with buyers in their respective stages of the sales cycle. This can only be done by continuous testing and fine-tuning of different tactics.

Another cornerstone of an effective lead nurturing process is the collaboration between sales and marketing department. The departments need to collaboratively define what constitutes a sales-ready lead and what are the criteria to identify it as such. The alignment between sales and marketing departments also allows leads to be smoothly passed from marketing to sales and more importantly form sales back to marketing if necessary (Michiels, 2008).

The sales funnel framework illustrates the sequential narrowing of a firm's customer base from all potential customers who may be interested in a firm's products and services to the customers who actually make a purchase (Budd & Cooper, 2007). Even though the broad sales funnel concept is widely recognized in business and academia, its exact form and order of stages varies from study to study (Järvinen & Taiminen, 2016). A study by D'Haen and Van den Poel identifies four different stages of the sales funnel, dividing actors into: suspects, prospects, leads and customers. Suspects are all potential buyers the seller is aware of. Prospects are suspects who meet certain

predefined characteristics. The next step is to qualify these prospects. Leads are prospects that will be contacted, after they have been qualified as the most likely to respond. Finally, leads who become clients of the company are customers (D'Haen & Van den Poel, 2013).

We will use a sales funnel from a study by Järvinen and Taiminen, which has a basis in the one we have discussed above, with the difference being in including the existing customers, because they present potential targets for repurchasing and cross-selling, which is relevant to our case. In their model, Järvinen and Taiminen have also replaced the final stage "customers" with "deals".

Figure 2: Sales funnel framework
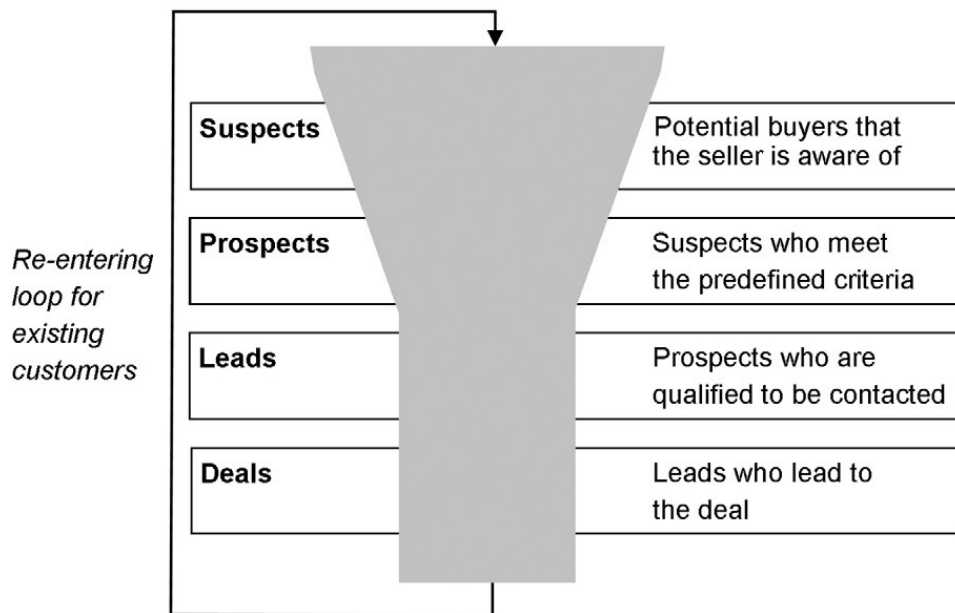
Source: (Järvinen & Taiminen, 2016)

In practice, objectively determining which prospects are most likely to convert to deals has proven to be extremely challenging. This qualification can often be driven by gut feeling or self-proclaimed competence and sales representatives often employ heuristic rules (e.g., rules of thumb, educated guesses) to qualify leads (D'Haen & Van den Poel, 2013). There are two main challenges in lead qualification. The first one being that there are no general characteristics of a high-quality lead as this differs from company to company. There are several characteristics that come into play – the prospect's source, the prospect's need and degree of urgency, funds and authority over decisions, willingness to provide information, whether the lead was initiated by the company or the prospect (Jolson, 1988) and whether the prospect has conducted business with the seller before (Monat, 2011). But they will all present a different level of importance or relevance for different companies. The second challenge lies in the fact that the in information about the quality of sales leads is seldom available to the sales representative before he/she makes contact with the customer and sales representatives

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therefore have to rely of publicly available information, which often do not reveal the prospect's level of interest in the customer's products or services (Long, Tellefsen, & Lichtenthal, 2007). Taking into account that the signals of interest toward a seller's products or services are considered the most important indicators in a prospect's genuine purchase intentions, the unavailability of information presents a significant pitfall for the sales representatives (Bhattacharyya, 2014).

The question most marketers would like to know the answer to is "What are the most effective tactics and channels to achieve the objectives of a lead generation strategy?" According to a research based on interviews with 445 business leaders and marketing practitioners by Marketing Advocate, among the most effective tactics are E-mail marketing, content marketing, internet advertising, retargeting, SEO or offline events like trade shows (Marketing Advocate, 2014). A study surveying directors, marketing, production and sales managers from 145 B2B firms of various sizes presents that the most important channels still remain newsletters and e-mail marketing, along with digital sales support materials, catalogues etc. and concludes that B2B marketers still prefer to use these one-directional and push-oriented digital channels in their marketing communication (Järvinen, Töllinen, Karjaluoto, & Jayawardhena, 2012). Another study found no consensus on the criteria for choosing content marketing distribution channels. Some suggestions were choosing the channels or media with the potential for largest possible audience. Other propositions included using the channels creating the most engagement or those, which are the cheapest to execute. Some interviewees in the study emphasized the importance of on-going testing of content distribution channel efficiency (Holliman & Rowley, 2014). We can find similar conclusions in the paper by (Lukowski & Świeczak, 2016), which presents that no clear answer or right tactic or channel can be adopted in the lead generation strategy. One option can be more effective in one year, but a year later this might be the case with different tactic. Better outcomes can be achieved by using a combination of several tactics, however, the first thing should be specifying the most and least cost-effective tactics.

It is therefore essential to constantly and continuously analyze the results of the implemented tactics, evaluate the channels used and tweak and polish the strategy to see what is working better. Exceptional lead generation results come from a relentless willingness to experiment with different tactics, and to combine tactics across multiple channels (Fulham, 2016).

In order to asses which tactics worked, and which did not, identify areas for improvement and successful areas that have a potential for higher budget allocation, marketers need to measure the success of lead generation activities. The number of actions undertaken by potential clients, measured in relation to their acquisition costs, is a key measure of success through the efforts undertaken in the lead generation process. This way, the return on investment can be identified (Lukowski & Świeczak,

2016). The success of lead generation should not be assessed solely upon the measure of ROI. Lead generation needs to be understood as a long-term strategy, where quality of the leads is just as important as quantity, if not more. The long-term leads are usually nurtured and can convert after a longer period of time. Failing to capture and convert leads right away does not therefore indicate a failed strategy. Besides that, metrics that evaluate traffic, interactions, and linking should also be part of the lead generation process evaluation (Kesler, 2015).

1.3 Digital marketing and its role in lead generation

Digital marketing refers to the use of all kinds of digital and social media tools that allow companies to foster interactions with customers (Järvinen, Töllinen, Karjaluoto, & Jayawardhena, 2012). There has been an ongoing shift in the B2B sector involving the growing influence of digital communication channels in customer purchasing decisions (Lingqvist, Plotkin, & Stanley, 2015; Wiersema, 2013). A study of more than 1400 B2B buyers found that customers rely heavily on information sources and complete nearly 60% of their purchase process before contacting a seller. (Adamson, Dixon, & Toman, 2012) But historically, traditional marketing communication tools, primarily the direct approach of the sales force, have been understood as the most important in the B2B communication mix (Lilien & Weinstein, 1984). A recent qualitative study confirms this by saying that complex business relationships still very much benefit from traditional forms of communication, such as face-to-face meetings, telephone calls and e-mail interaction (Karjaluoto, Mustonen, & Ulkuniemi, 2015). Other tools play a supportive role by creating synergies in achieving sales objectives (Rosenbloom, 2007) and in order to create real value for customers and stakeholders, online and offline efforts should work in combination (Hunter, Kasouf, Celuch, & Curry, 2004).

But to achieve that, effective communication with a favorable mindset to digital channels across the whole organization must be ensured and supported by the management. This is also why companies prefer to implement social media internally first. It is then easier for the employees to use it in external communication (Karjaluoto, Mustonen, & Ulkuniemi, 2015). In B2B, managing all the tools together and the various interactions between them is made more complex by the number of organizational levels and people involved in communication processes. The rise of digital media is making the coordination and integration of various channels even more challenging, although there are more opportunities emerging for better targeting and measurement of the respective activities' success (Karjaluoto, Mustonen, & Ulkuniemi, 2015).

For industrial B2B firms it is not easy to identify, which elements of digital marketing are essential and which strategy to follow (Wertime & Fenwick, 2015). Research highlights content and interactivity as the main pillars of digital marketing

communication. According to a research paper by Srinivasan et al., interactivity is positively linked to loyalty in electronic environments (Srinivasan, Anderson, & Ponnavolu, 2002). Interactivity in particular is one of the characteristics typical for social media. But there is still a lack of clarity regarding what the ideal business goals for social media in B2B sector may be and how the emergence of social media has affected digital marketing objectives as a whole (Järvinen, Töllinen, Karjaluoto, & Jayawardhena, 2012). With currently available technologies, it has become incredibly easy to share information on the Internet. Everyone is now able to express an opinion as easily as with one click, which has led people to trust peers more that organizations (Greenberg, 2010). As well, the roles of buyer and seller are changing in terms of content creation, pointing out that marketers today must reach customer attention by publishing interesting, useful and/or helpful content (Scott, 2017). Buyers nowadays want greater control during the purchasing process. They want to become acquainted with the product or service characteristics before making the purchase. The Internet opens up new opportunities for clients to quickly and easily find product information and makes shopping ever more convenient (Lukowski & Świeczak, 2016). Research shows that business buyers use content from multiple sources and that social media plays an important role in three-quarters of B2B purchases (Dell and Social Business Engine, 2015). Companies should tailor multiple types of content (such as white papers, blogs, case studies, testimonials, web copy, quotes, and social media) to particular audiences. Creating a consistent digital strategy across various marketing channels is the key to success (Andersen, Archacki, Bellefonds, & Ratajczak, 2017).

1.3.1 Objectives of digital marketing communication

Both B2C and B2B literature identify four main objectives of digital marketing:

1. It increases efficiency of communications (G.P.Walters, 2008)
2. It fosters customer relationship communications and interaction (Welling & White, 2006)
3. It creates awareness and helps build brands (Järvinen, Töllinen, Karjaluoto, & Jayawardhena, 2012)
4. It generates sales leads (Bodnar & Cohen, 2012; Welling & White, 2006)

As Bodnar and Cohen state in their book, in B2B environment, digital marketing and social media in particular should focus on lead generation and moving the customer along the sales funnel by publishing interesting content with a clear call-to-action element. (Bodnar & Cohen, 2012) The study by Karjaluoto et al. partially supports this statement. It argues that for B2B companies the sales support and lead generation is the top priority and it sees a possibility to use digital marketing communication in sales support and in conducting external marketing communication via digital channels and

gathering information on sales leads using digital tools, but at the same time acknowledges that the companies may not have yet found out how to fully exploit digital marketing communication as an integral part of their overall marketing communications strategy (Karjaluoto, Mustonen, & Ulkuniemi, 2015). Another study stated the two most important objectives of digital marketing in the era of social media being related to the soft side of marketing, in particular creating awareness and enhancing brand image (Järvinen, Töllinen, Karjaluoto, & Jayawardhena, 2012).

In contrast to B2C environment, research shows that B2B firms have not fully realized and leveraged the interactive nature of the digital media environment, which offers great opportunities for cultivating existing customer relationships and enhancing customer engagement (Weinberg & Pehlivan, 2011). Even though they see the notable success stories of some B2C companies, they still remain slower and more hesitant to adopt the digital marketing (Michaelidou, Siamagka, & Christodoulides, 2011). Some case companies in the study by Michaelidou regard the integration of social media into sales as problematic. Marketing managers believe that it is difficult to reach the right decision-makers through marketing and social media. On the other hand, other case companies stated that they integrate digital marketing activities with sales and are able to generate sales leads, often by driving traffic from social media sites to the company's website. Digital marketing communication can also be used for building awareness, which is closely linked to reaching more prospective customers and therefore increasing sales. The study also pointed out that a new generation of managers will soon enter the business and they will be utilizing the digital tools in a different way than managers do today (Karjaluoto, Mustonen, & Ulkuniemi, 2015).

1.3.2 Digital marketing tools supporting lead generation

Thought leaders are individuals or firm that prospects, clients, referral sources, intermediaries and even competitors recognize as one of the foremost authorities in selected areas of specialization, resulting in its being the go-to individual or organization for said expertise (Prince & Rogers, 2012). That is how though leadership is described in a definition from Forbes contributors. In digital marketing, when companies continually engage and generously share useful content with their buyers, they will get a reputation for benevolence and problem solving. Moreover, marketers gain even deeper insights into their buyer's pressing issues while validating their expertise in the process (Barry & Gironda, 2017). In a study of large B2B technology companies, (Brennan & Croft, 2012) concluded that B2B social media pioneers use content marketing "to position themselves as thought leaders. Another study found that 79% of would-be buyers claim thought leadership is important in determining which providers they want to learn more about (Schwartz & Burgess, 2015).

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Several different definitions of content can be found in the literature at hand. For example, (Handley & Chapman, 2012) define content as "anything created and uploaded to a website: the words, images or other things that reside there". Content is defined as "what the user came (to your website) to read, learn, see or experience" by (Halvorson & Rach, 2012). Perhaps the most customer-centric definition of content is presented by (Wuebben, 2012), who defines it as "the story of your product or service that propels your brand into the hearts and minds of your prospect, customers and others."

A good illustration of how digitization has enhanced sales support is the increasing use of multimedia such as videos, animations and digitized presentation materials produced by the marketing communication function. Companies that have used multimedia, rate it positively, stating that it helps the sales function illustrate and further simplify complex products and solutions. Accordingly, as customers are becoming active participants in the communication process, companies should concentrate on "soft-selling" by creating interesting and helpful digital content. Research data imply that general brand marketing in digital channels may not yield the desired outcomes because the message is not reaching its target audience or because the target audience (decision-makers) is receiving the message but does not consider such general content relevant. When a company is able to create relevant content for customer needs, even social media tools can be effective channels to drive traffic to a company website and eventually generate leads (Karjaluoto, Mustonen, & Ulkuniemi, 2015),

B2B digital content marketing is an inbound marketing technique, effected through web page, social media and value-add content. Creating content that is valuable to B2B audiences requires brands to take a "publishing" approach, which involves developing an understanding of the audience's information needs, and their purchase consideration cycle. Typically, such content is provided free by the organization to promote their products and services, and more widely to cultivate relationships with the other organizations that are their customers (Holliman & Rowley, 2014). In their study, after interviewing 15 key informants involved in B2B content marketing and asking their comments on its nature, Holliman and Rowley propose this definition of digital content marketing: B2B digital content marketing involves creating, distributing and sharing relevant, compelling and timely content to engage customers at the appropriate point in their buying consideration processes, such that it encourages them to convert to a business building outcome (Holliman & Rowley, 2014).

Because customers and prospects actively seek out brands that provide engaging and valuable content, which is relevant to their needs, companies should take on a more customer-centric perspective instead of explicit selling and brand centric approach (Halligan & Shah, 2009). This is supported by another study proposing that content must target customers' needs and solve their problems rather than promoting company

products. The findings extend this line of reasoning by showing that in addition to actively listening to customer needs, companies can facilitate content creation by promoting collaboration between marketers and subject specialists (Järvinen & Taiminen, 2016). It is essential to ensure all necessary information are available on the company's website, so that potential buyers and customers can have easy access to that information. This is very important, because the accessibility of information is closely related to the amount of risk buyers perceive in the purchasing process (Bienstock & Royne, 2007). The study also showed that integrating content marketing and marketing automation efforts can generate high-quality sales leads and increase efficiency levels by overcoming a cumbersome selection process for prospects through automated classification (Järvinen & Taiminen, 2016).

Business objectives of B2B content marketing are related to promoting brand awareness and image, fostering customer engagement, and increasing sales through customer acquisitions, lead generation and nurturing, upselling and cross-selling (Pulizzi & Rose, 2011). These objectives are interestingly enough very similar to the objectives of social media marketing observed in the study by (Michaelidou, Siamagka, & Christodoulides, 2011). This might be the result of their common foundations in the creation and sharing of digital content. It is important to note that content marketing is not campaign led. Content marketing is a culture, not a campaign (Holliman & Rowley, 2014). It does not seek to persuade customers of the specific benefits of the product sold, but it can be effective in bringing sales leads and won opportunities to B2B product and service providers and can play a complementary role to the existing sales force. The number of leads and won opportunities is positively affected by the frequency of an account's employees consuming digital content, which mean that the more an account engages with a supplier's digital content or even digital events, like webinars or webcasts, the more likely it is that sales leads will come from that account. Moreover, digital content marketing activities like webcasts or digital content on websites are more effective than in-person content marketing activities such as seminars, conferences or trade fairs. (Wang, Malthouse, Calder, & Uzunoglu, 2017).

Not only the targeted decision makers, but likewise, other account employees may derive value from the content because it provides relevant information on the problem they are solving and/or helps them enhance their efficiency at work. The more valued the content, the more engaged account employees are, and the more likely they are to trust the service provider and share positive word of mouth about the service provider within the account (Vivek, Beatty, & Morgan, 2012). Content marketing should be thought of as a separate service that provides added value for customers independently of the product being sold, value that will be reciprocated in sales results (Wang, Malthouse, Calder, & Uzunoglu, 2017).

So what kind of content gets the attention of a B2B buyer? There is no universal method, as the ideal mix of content will vary across industries and companies themselves. A research by Google states that the most effective content, i.e. content that will make consumers engage more with the company, remember it better and even talk to their colleagues about it, is such that will help them learn about, compare, and research their potential B2B purchases. Informative videos such as reviews, how-tos, or videos about product features belong to one of the most successful kinds of content and according to the research, their popularity of rising (Snyder & Hilal, 2015).

Producing informative, relevant and timely content opens various possibilities for digital marketing. Among one of them is employee advocacy, which stands for empowering the company's employees as advocates rather than depending solely on corporate and influencer marketing strategies. It means that employees use their personal social media channels and profiles to drive brand awareness, leads, and promotions for their company. Research shows that content has a 151 percent greater reach when employees share it on their own social networks than when the company shares it directly. It is effective because it comes across as a genuine endorsement of a product or service rather than an aggressive marketing tactic by a company. Employee-drive advocacy works particularly well in B2B companies, as they typically have large remote work forces and are dealing with buyers well educated about the product offerings. Employees can establish themselves as thought leaders and create relationships with their connections and potential prospects. For as long as B2B businesses have been around, word-of-mouth marketing has been one of the biggest means by which companies secure new business. And in the digital era, employee advocacy on social media can serve similar purpose as word-of-mouth does (Ignacio, 2014).

Salesforce identifies five use-cases how companies can benefit from using employee advocacy. As was mentioned below, employees can become thought leaders by promoting their company's product and/or service through engaging content. This should ideally be done by giving employees access to a centralized board of content and giving them freedom to choose what do they want to share based on what they feel is most relevant to their type of audience and where do they want to share it. The benefits go further – employees, who share content feel more up to date with the latest trends in the industry and can build their personal brand on social media. This opportunity increases employee engagement with the company brings motivation to the workplace. Besides regular employees, C-suite can also establish their thought leadership status by making use of employee advocacy on social media and show the human side of the company, it's goals and values (Kushner, 2016).

Content and the use of social media to promote it can also help salesforce integrate better with their customers and close more sales down the road. A study by Forbes

confirms that that sales representatives that engage in social selling (using social media to drive sales) outperform the non-social media users (Fidelman, 2013). On top of what has been said, employee advocacy can improve brand awareness and increase lead generation with generating better quality leads due to the relevancy of the content shared towards the right audience. Besides, employee advocacy can help showcase company culture. When companies get genuine endorsements from their employees, it can contribute to a more effective and successful talent acquisition process (Kushner, 2016).

1.3.3 Barriers to digital marketing communication

Among the barriers to the utilization of digital marketing in B2B firms, the lack of resources and expertise resonate the most. Other barriers are challenges in content creation or unclear ROI. Furthermore, B2B firms with fewer customers, fewer transactions, and longer purchase decision cycles still find it difficult to demonstrate the relationship between marketing and its resulting impact (Webster, Malter, & Ganesan, 2005). This is in line with the findings of another study, focusing particularly on social media, according to which marketing managers are seldom able to provide quantified data that would illustrate the importance of using social media (Michaelidou, Siamagka, & Christodoulides, 2011).

Even though majority of companies agrees that digital marketing is growing in its importance, they also think that in their B2B industry digital marketing, particularly the use of social networks isn't very relevant. This perception exists despite the fact pointed out in a study by Michaelidou et al., that the usage patterns of social media do not differ based on the industry. Another barrier confirmed in the study was the lack of staff familiarity and technical skills in using social media (Michaelidou, Siamagka, & Christodoulides, 2011).

1.4 The specifics of B2B services marketing

To be able to optimize marketing activities and processes, we need to understand the specifics of B2B services and more specifically the aspects of marketing communication of these services in B2B environment. At the same time, it is vital to understand what role do the B2B buyer decision makers play in the buying process and how do they conduct their research, especially taking into account online and digital sources.

Overall, B2B markets possess several unique characteristics. B2B environment is generally much more relationship-based than B2C, selling and buying procedures are based on rational decisions instead of intuition and sales cycles are therefore longer (Fill & McKee, 2011). The approach to branding is also quite different. Traditionally,

brand building was considered superfluous for B2B companies, with the focus being on the dedicated sales force (Kotler & Keller, 2006). In time, however, branding has become more and more important, especially for companies with worldwide presence, where the brand is a signifier for trust (Kotler & Pfoertsch, 2006). A better brand reputation has been found to give the buyer a greater feeling of assurance of the product quality, which leads to a greater willingness to pay a price premium (Bendixen, Bukasa, & Abratt, 2004), and confidence that suppliers will stay the course of a long customer relationship (Glynn, 2012). For most product companies, the competition is another product company. But if we look specifically on service companies, for many of them the stiffest competition is the indifference of their potential client to do anything at all or the desire of their client to proceed with in-house resources. B2B service firms have to convince the buyer of the value their services will bring to the table, even if we do not take competition into account (Schultz & Doerr, 2009).

B2B buying processes are characterized as multi-stage and complex, involving many decision-makers. Marketers' objective is to move potential customers through the pre-purchase stage to the purchase stage, and then to further assist customers in the post-purchase stage (Harrison-Walker & Neeley, 2004). Because of long sales cycles, substantial parts of the consumer experience are driven by field sales teams, majority of sales wins is usually attributed to direct sales efforts than to marketing activities (McMaster, 2010). Direct relationship with the customer is indeed very important in B2B environment and is closely connected with trust. In his book, Mike Schultz identifies trust as one of the most important factors that influence whether the customer will engage with a potential supplier or not (Schultz & Doerr, 2009). That is why referrals still remain the top method buyers use to drive their decisions. Especially service buyers seek referrals from their colleagues and other service providers, even when they know they can find providers themselves, because they want to know who their trusted friends and advisors trust (Schultz & Doerr, 2009). But at the same time, for the abovementioned reasons and also due to the fact that B2B buyers are influenced by information from numerous sources, they frequently use the Internet as their initial source of information (McMaster, 2010). The results of one study suggest that a mix of communication tools should be used by marketers when promoting their B2B service offering. Multiple sources are used especially when the buying risk is high, often additionally involving the use of personal communication (Brossard, 1998).

(Schultz & Doerr, 2009) identify four core measurable outcomes that effective marketing communication can produce for a professional services firm. These are:

1. New conversations with potential buyers.
2. Better odds of winning client engagements.
3. Higher revenue per client and per engagement, and higher fees for your services.

4. Increased affinity with the actual and potential workforce

New conversation with potential buyers, also referred to as lead generation, business development or the first step in selling. We can call it different names, but the core issue will always boil down to creating new conversations with potential buyers. Repeat business and customers gained through referrals just isn't enough to grow and companies have to make efforts to find business elsewhere. There are various different methods how firms find and engage in new conversations with potential customers and they can include traditional (offline) marketing tactics, such as in person seminars, presentations at conferences, presence at trade shows, print advertisements, etc. or online marketing tactics, such as e-mail newsletters, website content, internet search ads, case studies published online, webinars, social media posts and conversations and many more. The efficiency of the abovementioned tactics will vary greatly among industries and even within the same industry among different companies, therefore it is vital that a company identifies their own unique mix of those tactics (Schultz & Doerr, 2009).

Marketing communication can also serve to improve the odds of winning new client engagements. It can make potential buyers familiar with the supplier's offering and remember the company for what it does and how it manages to solve issues other people face, that are perhaps similar to those that the buyer is facing. The buyer can then, owing to the supplier's marketing efforts, feel the affinity and presence for the company even though he/she has not yet interacted with the company personally. Marketing communication, when done right, can therefore create a similar level of trust as a recommendation through a referral. Instead of receiving the transferred trust that comes from the referral source, the company can build up the trust itself over time through its marketing activities (Schultz & Doerr, 2009). This is illustrated in the figure below.
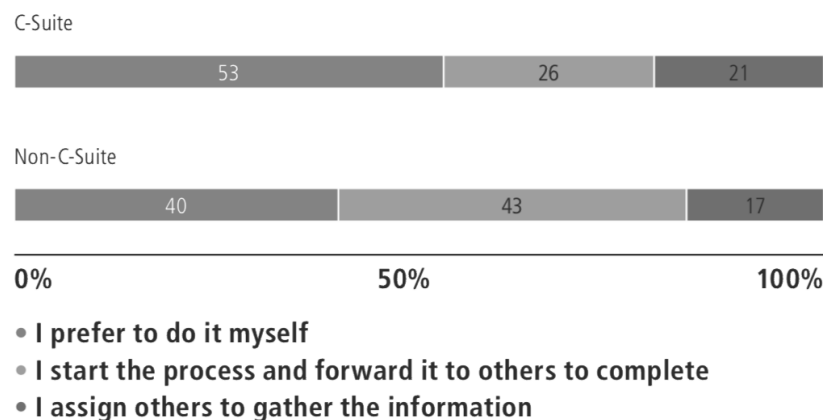
Figure 3: Trust to win
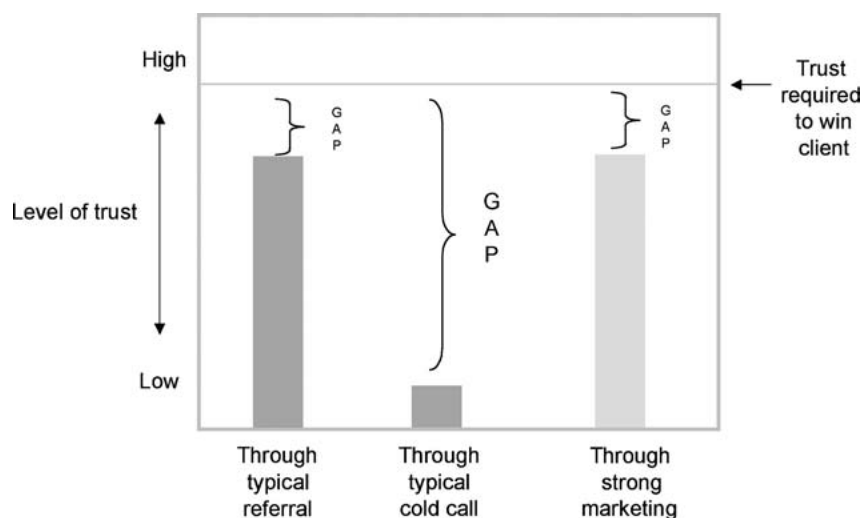
Another outcome of services marketing is connected to bringing higher revenue per client and higher fees. Bringing higher revenue can be done in number of ways. It is connected to packaging the services, which can increase differentiation, perception of the value of the service and a client's trust that the service supplier will deliver on the promise of the service. It is also related to the communication of a strong value proposition, where the supplier highlights the value their service brings to customers. Cross-selling the firm's offerings can be another source of increased revenue and this also holds true when it comes to the strength of the brand. The stronger the brand, the less likely are customers to feel fear, uncertainty or doubt towards its service offerings. Lastly, the affinity of existing and potential workforce can be increased through effective marketing (Schultz & Doerr, 2009).

There are two stereotypical beliefs about the B2B buyer, who is usually a senior executive able to allocate the needed purchasing budget. The first one is that these decision makers do not give attention to advertising messages in a meaningful way. Instead, it is assumed that they respond primarily to inputs from within their organizations. Second, it is commonly believed that the senior executives consume media the same way as they did 25 years ago. This translates to them to being unable or unwilling to use social media, video or other emerging formats. If they own a smartphone, they apparently mostly use it only for making phone calls (McMaster, 2010).

The research of 354 executives done by Forbes Insights in collaboration with Google proves otherwise. As can be seen from the figure below, majority of both C-level and non-C-level play a direct role in research and tend not to delegate much. C-suite seemed to be more likely to fully own the research process, which may stem from the pressure for accountability for C-level employees (Forbes Insights and Google, 2009).

Figure 4: What is your preferred style for gathering information for decision-making? (by title)

Another interesting outcome of the research is the frequency of networking in online communities and social networks such as Facebook, LinkedIn, industry forums etc. Most of the executives (80%) had at least some exposure to social networks in a business context. More than 50% of the executives under 50 years of age use these channels daily or several times per week. Majority of the over 50 years old executives were occasional users going on social networks once a month or less often (Forbes Insights and Google, 2009). Keeping in mind that this research was conducted in 2009, the executives today will be 10 years older with younger executives replacing the retiring ones. In future, there is a high chance that the platforms will not just be interesting experimental tools, but crucial touchpoints in maintaining B2B brands (McMaster, 2010).

Figure 5: I network professionally in an online community (e.g., LinkedIn, Facebook, online industry forums)
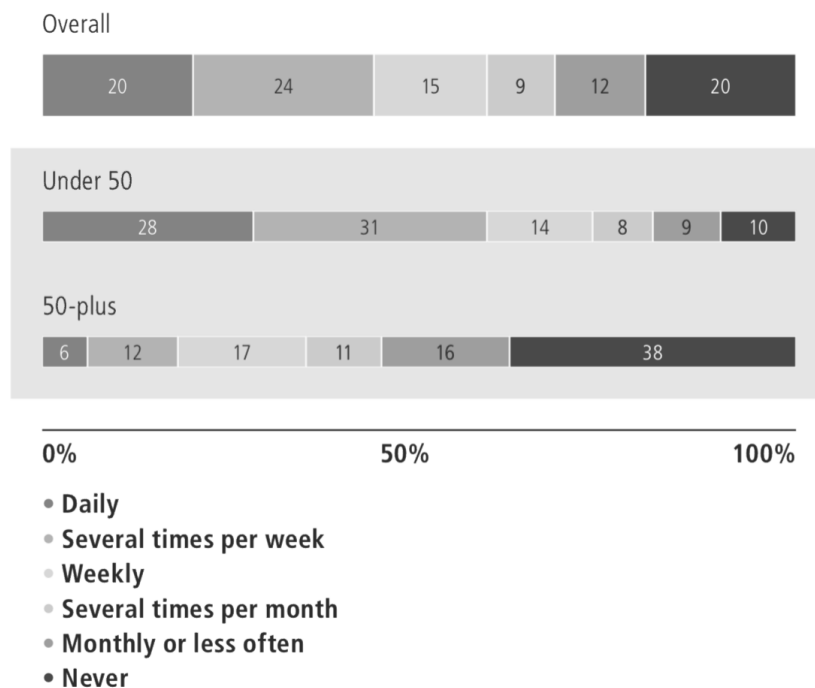
Source: Adapted from (Forbes Insights and Google, 2009)

While many B2B companies tend to focus their marketing strategies exclusively on the C-suite, research shows that these strategies may not be so effective as they used to be. While 64% of the C-suite have the final sign off, the non-C-level employees have some influence on the purchase decisions. And it is not a negligible portion – 81% of non-C-suiters, according to a research done by Google and Millward Brown Digital, influence purchase decisions. This suggests that targeting only the highest-level employees could mean overlooking the people who need to notice the marketing activities as well and influence the decision makers' decisions (Snyder & Hilal, 2015). Generating leads from lower level employees can therefore influence higher level employees in a way that results in leads from the company. Establishing relationships with all employees of the

client organizations may well be a sound strategy as opposed to focusing mainly on employees with high job titles (Wang, Malthouse, Calder, & Uzunoglu, 2017)

To better understand the customer audience B2B firms are facing, it is beneficial to segment the different players and create so-called buyer personas. These are fictional customer profiles created as a proxy for a target audience, which identify similar patterns of behavior that result in commonly held goals (Levy, 2015). There are numerous sources that prove the benefits of having and using documented persona profiles of customers. According to a research by Cintell, organizations that exceed their lead and revenue goals are 2.2 times more likely to have formally documented personas than companies that miss those targets. The most common use of personas overall is by the marketing team to use personas to guide marketing communication and tone of voice (Cintell, 2016). The development of B2B personal is considerably different than B2C, though. While B2C companies usually focus on demographics, personality traits and shopping habits, for B2B the criteria are more about the role in the buying process, fears and challenges, drivers and motivators, goals and priorities and potential problems and issues the offered service could solve (Gains, 2016).

2 Hilti transition from tool seller to provider of services and software

Founded in 1941, Hilti is a manufacturer of premium power tools and fastening and protection systems, for the construction and energy industry. It also develops systems and software that provide the customers with clear added value (Hilti, 2018). Currently, Hilti has roughly 27 000 employees working across more than 120 countries worldwide. Hilti's core values are integrity, courage, teamwork and commitment, and the company strives to prove them in every aspect of its work. This means helping their customers build faster and safer, having open, trusted and valued relationships with their customers, partners and suppliers and giving back to the society and environment in a real way (Hilti, 2016).

The firm's corporate strategy is called Champion 2020 and aims at sustainable value creation through market leadership and differentiation. Hilti wants to achieve market leadership through added value for their customers by offering products, services and software that provide superior productivity and safety to the customers, while differentiating from the competitors' offerings. In order to implement this strategy, Hilti focuses on four core competencies: continuous innovation in products, services and software; direct and partnership-based cooperation with professional customers; operational excellence and a high-performing global Hilti team (Hilti, 2016).

Figure 6: Hilti Corporate Strategy: Champion 2020

Source: Adapted from (Hilti, 2016)

It is interesting to note that Hilti does not have a separately defined innovation strategy. As stated in the corporate strategy, the company focuses on differentiation and considers innovation to be the key driver for differentiation. In Hilti, innovation is not limited to technology only, but also products, services, processes and business model innovations. Hilti employees are aware of this and take innovation as a regular part of their daily work. There is a common awareness of the shifting from solely manufacturing products to creating ecosystems and complete solution for the customers (Subasic & Pushpananthan, 2016). One of the examples of innovations by Hilti is the direct fastening solution, widely recognized among professionals in the field, which allows workers to fasten electric cables and pipes 10-15 times faster in comparison to traditional methods. These first direct fastening tools were launched by Hilti back in 1957 (Plachý & Matús, 2017).

In early 2000s Hilti started shifting from selling only tools to selling a tool management service. The main reason for this was that the company realized that customers do not value the product as much as they value getting the job done. In the construction industry, the contractors had to purchase the tools to be able to work, they had to invest up front in expensive equipment that oftentimes consisted of tools that were only used in rare occasions. They were doing all this out of necessity, but what really mattered for them was to get the job done fast and move on to the next project. Hilti was able to pick up on these unaddressed pain points and it shifted from only selling tools to selling the tool management service solution (Lindgardt & Hendren, 2014). Consistently with Hilti's corporate strategy, the company supports digitalization to achieve differentiation with innovative solutions. The "Digital Take-Off" phase, in which Hilti currently is, focuses on digital processes, digital offerings and digital interfaces. With digital processes, Hilti constantly looks for improvement in the way it works, striving to bring collaboration, reliability, usability, and productivity to the next level. Digital offerings focus on software and software-based services to support customer offerings and product-related processes. They include adaptive tools, layout integration, and asset management. Digital interfaces focus on making the customer interaction as effective as possible, providing customers with applications and other digital solutions to make the communication between them and Hilti faster, easier and more productive (vom Brocke, et al., 2017). For Hilti, digital transformation presents a big challenge, but at the same time a great opportunity. Selling, implementing and maintaining innovative digital solutions involves different skill sets in comparison to operations connected with traditional construction tools. But it also means dealing with a much broader range of contacts within customers' companies. Hilti employees now need to understand specific customer concerns and answer questions regarding not only the people involved in the construction work but also, among others, the supply chain and finance (Plachý & Matús, 2017).

2.1 Strategic services

Hilti's top strategic priorities include two services, Fleet management and ON!Track Asset management, which are aimed at extending the relationship with their customers in line with the corporate values and strategy.

Fleet management is a tool management service from Hilti that provides the customers with their own choice of tools for a fixed monthly rate without any upfront costs. That way the customer does not need to deal with a major upfront investment when the company needs to tool up for a job. Moreover, the repairs are included in the monthly fee, as well as loaner tool needed by the customer in the event that a tool breaks down and need to be serviced and in the event of theft, this is also covered by Hilti. The customer can therefore focus on the job itself instead of getting the tools needed for it. (Hilti, Inc., 2016) This corresponds with Hilti's marketing message for the service: "We manage your tools, so you can manage your business (Hilti, Inc., 2011)."

Although there are only relatively low monthly payments connected with the Fleet management service, the commitment itself is usually for several years, which means that long term, the costs are quite significant for the customer. The purchase decision is therefore in the vast majority of cases done by the owners or directors of the company (Subasic & Pushpananthan, 2016).

ON!Track Asset Management is a software as a service solution that help customers answer two main issues. Where is their stuff, and who is responsible for it. This does not only concern only tools, but also inventory, rental equipment, safety equipment, commodities, service maintenance schedules and employee certifications. It therefore also helps them to allocate costs per jobsite optimally. Hilti takes care of the whole process from introducing the basic concept, through analysis of the customer's assets, training of employees and final implementation of the software to after sale support and customer service (Hilti, Inc., 2017). Understandably, the implementation of this service presents a significant change in the company's processes in place and therefore the sales process of ON!Track needs to include the appropriate decision makers form the customer's side – usually owners of directors of the respective company (Plachý & Matús, 2017).

Although Fleet management and ON!Track Asset Management are two different services that bring different kinds of benefits to the customer, there is one important thing they have in common and that is their significance for the customer. Connected to that is the nature of the sales process. It has to involve key decision makers from the customer and these need to understand the benefits the services bring to the company in order to be able implement the services successfully.

3 Research problem and methodology

3.1 Research problem

In 2001, Hilti, a professional construction tool manufacturer moved into the solution space by redefining its business model and introducing Fleet management, one of the main things that currently sets Hilti apart from its competitors. With this service Hilti is not selling the tool itself, but the possibility to use the tool for a certain period of time (Michel, 2013). It has been tremendously successful since its inception and it still keeps being a reason why many construction companies all over the world choose Hilti as their business partner. Two years ago, as a part of its digital transformation and particularly the "Digital Take-Off" stage (vom Brocke, et al., 2017), Hilti launched ON!Track, an asset management software, to help construction professionals make the most of their assets and resources.

Because of the strategic character of these services, the target audience, which Hilti sales representatives have to deal with, is changing from site managers to warehouse managers, strategic sourcing managers and eventually the key decision makers of the customers' – directors, owners, etc. This is true not only for sales departments, but also for the marketing departments within Hilti. They are facing a challenge of reaching out to these people and attracting them with the value proposition that these services have. With the global trend that digitalization is, the possibilities for marketing communication are vast, and marketers have to determine what is the right way to execute it and how to effectively reach the right audience.

The study aims to answer the following research question (R1), further supported by four sub-questions (R1.1-R1.4):

R1: **What are the key success factors of a digital marketing strategy with the goal of generating sales leads for Hilti strategic services?**

R1.1: What should be the role of Marketing and its integration with Sales in order to effectively generate sales leads?

R1.2: What should be the objectives of digital marketing communication in Hilti to ensure successful lead generation?

R1.3: What should be the tools and the form of digital marketing communication to reach the relevant target audience and effectively generate sales leads?

R1.4: What are the internal barriers of digital marketing communication aimed at lead generation?

In order to get insights into the lead generation process and digital marketing communication within Hilti, the author first talked to Digital Marketing Managers and Service Managers from various Hilti MOs. The author selected the countries based on the experience with digital marketing communication for the abovementioned strategic services. Most of the interviewees were therefore from hub countries within Hilti. All of the interviewees had experience with both the strategic services and digital marketing communication. In order to get a more customer-centered point of view on the topic, the author also interviewed Area Sales Managers. They were all based in Hilti Czech Republic for the reason of receiving information based on experience with the local market.

3.2 Research method, sampling and approach

Following the interpretive paradigm, which is concerned with understanding the world as it is from subjective experiences of individuals and which focuses on meaning and not measurement, the author decided to use the suggested qualitative research method (Daymon & Holloway, 2011). Daymon and Holloway further suggest that qualitative research techniques are useful when gathering data from professionals such as marketing communications practitioners. As the aim of the study was to gain in depth insights into opinions and experiences of experts in marketing communication of professional services, the chosen research method was guided semi-structured interviews. The objective of an interview is to explore the insider perspective of a person to capture data in their own words, thoughts, perceptions, feelings and experiences (Taylor C. , 2005). The approach of asking research questions was used rather than testing hypotheses, because the aim of the interviews was to learn 'what is important in the minds of interviewees: their meanings, perspectives, definitions and views on the discussed topics' (Taylor & Bogdan, 1984).

The research sample included in total ten participants, who were all employees of Hilti Corporation. One group of interviewees consisted of Digital Managers and Service Managers from Czech Republic, Germany, United Kingdom, United States, Russia and France and the second group consisted of Area Sales Managers from Hilti Czech Republic. More detailed overview of the participants can be found in the attachment. All interviews were conducted within a one-month period, six with the use of Skype and five in person. Prior to their interview, interviewees were sent a copy of the interview guide showing the interview questions. The interview guide is included in the attachment. Each interview took between 30 and 45 minutes for the marketing managers and 25 to 30 minutes for the sales managers. Interviews were recorded and transcribed. They had the format of open-ended questions based on a semi-structured questionnaire, which provided the managers with a wide range of space and possible answers, and also enabled the asking of follow up questions to dig into more detail. Test interview was

conducted with a member of the digital marketing team in Hilti Czech Republic in order to assess the interview structure and objectives.

To be able to draw conclusions from the conducted interviews, the author familiarized himself with the depth and breadth of the data through repeated listening to the audio recordings. He listened to them actively – searching for meanings, patterns and took notes of these in the process. The author then partially transcribed the interviews, where the relevant content was discussed. Thematic analysis of the interview transcripts was conducted to identify themes and perspectives (Creswell, 2009). Transcripts were categorized, noting patterns in the collected data set. Where applicable, the author identified sub-themes, which gave more structure to particularly large and complex themes. The author then followed with comparison and iteration of the data (Spiggle, 1994).

Care was taken to avoid selecting data which matched the author's pre-conceptions and avoid bias (Kvale & Brinkmann, 2009). All responses were regarded as confidential and no attribution was made of any comment to a named individual. Participation in the interviews was voluntary. All interviewees were familiarized with the purpose of the study by the author and offered a copy of the transcript. Any question could be skipped if interviewees preferred, and participants were offered the opportunity to withdraw their contribution up to a given date prior to submission of the final report (Saunders, Lewis, & Thornhill, 2009). No participants exercised this option.

4 Research findings

The expert interviews helped the author to explain the specifics and success factors of a digital marketing communication strategy aimed at lead generation as described in the theoretical part, but also brought to light several new topics and findings not covered by the prior research.

In the following chapter, the author will first illustrate the role that marketing department plays in Hilti and what is the degree of integration between sales and marketing and its perception with regards to lead generation. The author will then continue with exploring the objectives of digital marketing communication in the company and its relevancy for generating valid sales leads. Then, the success factors of a lead generation strategy for B2B services will be explored, considering the use of different marketing channels, transfer of leads from marketing to sales, approach to communication and content, and the suitability of digital marketing for targeting decision makers. In the end of this chapter, the author will discuss the internal barriers of generating leads by digital marketing communication in Hilti and how overcoming them would affect the lead generation process.

4.1 Marketing calling for more integration in order to successfully support Sales

In Kotler's article (Kotler, Rackham, & Krishnaswamy, Ending the War Between Sales & Marketing, 2006) the role of marketing is described in a three-stage model based on the maturity and level of influence of the marketing department. In Hilti globally, Marketing belongs to the third stage, acting as an independent unit. The tasks range from creating the content and strategy for marketing communication, setting the pricing for products and services, supporting salesforce with training, information about competition, new product innovation etc. to lead generation. But if we concentrate on roles perceived as most important or those that first come to a marketer's head, the perception of the role of marketing department would be quite different among the different MOs. In the regional hubs, marketing is focused on aligning the direction of different market organizations in the region. The general consensus was in the role of supporting sales with the relevant marketing mix.

> *"Our role is in supporting direct sales during the sales process, focusing mostly on new products and innovations. Overall, we concentrate on supporting the salesforce before the sale, during and after, when we mostly evaluate the success." (E-Business Manager, Czech Republic)*

"Because we are a regional hub, our role is in aligning the directions, so that we have a regional strategy on how to market our products and services, but still allow some localization if needed." (Product Manager Services, United Kingdom)

"One role is to make the information about our products and services digestible to our salesforce and our customer. So, what we try to do, what is really the key role, let's say we have those 10 products, that are all a bit different, so then we need to decide, how can we bundle them in some kind of a story, that we then explain to the customer." (Head of Asset Management, Germany)

"Marketing is an enabler for Sales – meaning, first it's delivering products and services with a market adapted marketing mix for the sales teams and secondly supporting sales through driving awareness and engagement within the channel mix." (Head of Digital and Brand, France)

The sales representatives supported the statements made by marketing managers and highlighted two main roles of marketing, which in their perception were creating awareness about products and services, introduction and explanation of innovations both internally and externally and supporting sales. The sales support is connected to the awareness creation and information sharing, because with an educated customer the salesforce has an easier job. Some sales representatives have also mentioned lead generation, which is in an incumbent stage at the moment, but they definitely see it as something very relevant and appreciated from their side.

"Part of Marketing's job is to support the region because CZ is the sub. region for the hub. Then supporting sales force, creating awareness about the new products of technologies." (Area Sales Manager 2, Czech Republic)

If we use the types of relationship defined in Kotler's article (Kotler, Rackham, & Krishnaswamy, 2006) to determine the degree of integration between sales and marketing departments, an aligned relationship is the most appropriate type for Hilti. There are still boundaries between the two departments, but at the same time they engage in joint activities, meet often to discuss strategic decisions, participate on trade fairs together and engage in training and education. This is also true due to the nature of the company's business model and the fact that many marketers have gained practical experience in the positions of AMs or TSs.

"From my point of view, especially in B2B, Marketing and Sales should work hand in hand, as they can't 'survive' without each other. Especially in Hilti this is a crucial advantage versus our competitors." (Head of Digital and Brand, France)

"At Hilti in general the base is the salesforce and a most of the marketing people have gone through the sales role in their past, so I think it gives them a good understanding

of the sales and makes the integration easier in that sense." (Head of Asset Management, Germany)

One of the service managers pointed out that the role of services marketing is not the same as with products, because basically all the sales initially go through the marketing department at some stage. This is due to the nature of some positions within the marketing department, which include both marketing and sales tasks.

> *"Marketing overall has a very broadly defined set of tasks and activities, but if I should be more specific, with the services it is kind of a special case, because all of ON!Track sales basically go through the marketing department and we are thinking about doing this with Fleet as well." (Director Services, North America)*

The main areas with a potential for better integration were identified as the difference in the systems and software used by sales and marketing departments and the unclear transparency of the follow-up process.

> *"It [Sales and Marketing] could definitely be a lot more integrated. But many of the limitations we are facing are due to systems we are using. [...] These systems are not automatically talking to each other. We need to manually identify the potential leads, extract their data and then upload it to CRM for sales. [...] so, whenever you want to pass a lead to sales based of some specific activity, it is usually done based on manually analyzing the data, instead of the process being automatic, for instance through some kind of a dashboard, where we could immediately see the leads activity and pass them onto the account managers." (Product Manager Services, United Kingdom)*

> *"We have three different systems at the moment, so there is definitely potential for integration. And this brings difficulties in terms of us [digital marketing] being able to track what is happening offline, because the ASMs and account managers have different systems that are not talking to the ones we are using, So, for us it is difficult to see the clear funnel of what is happening offline.[...] If there would be some kind of a data lake system that can bring multiple digital data from many different sources to one place, it would help with the integration and lead generation." (VP Digital Unit, Russia)*

One of the issues raised was that Sales has to be able to clearly ask what they need from Marketing and at the same time the need for integration with regards to the systems a software being used was expressed.

> *"It should be more integrated, but the question is more towards sales – what exactly do they need and are they able to use it effectively? We should have tools to effectively, ideally automatically, transfer information to the salesforce, so it wouldn't be day-to-day manual work." (E-Business Manager, Czech Republic)*

The integration between the departments was seen as particularly important when it comes to the lead follow-up process. The interviewees stated that it is essential to have

the process clearly defined and for that the two departments need to cooperate well with one another.

> *"Before, we used to have a follow-up system that was not that transparent and not very traceable, and we managed to make it as transparent as it can get, considering the current system limitations."* (Product Manager Services, United Kingdom)

One of the interviewees shared that in his MO, they were able to solve this gap in integration by creating a role of virtual consultant, who is a part of customer service, and his/her main task is to bridge the gap between sales and marketing departments and ensure that only high-quality leads are transferred to the sales force.

> *"Particularly for our region, we have dealt with this problem by creating a role called virtual consultants. The leads we generate go to the "customer service" people, who are fully dedicated to selling the service [the first part in the sales process, not signing the final contract]. [...] After they manage to get a meeting with the customer, they transfer him/her to the respective salesperson/consultant. These virtual consultants do not only get leads from digital marketing, but also from the salesforce, who ask them for help if they need to move forward with a customer."* (Director Services, North America)

The need for integration is not only between sales and marketing departments but also other departments across the whole organization was raised. It was supported by one of the supported this by claiming that it is important to utilize all the different touchpoints the company has available for communicating with the customer and not use the sales person as a single touchpoint for everything the customer needs to solve.

> *"[...] how can we increase the number of touchpoints with which we communicate to the customer. The "old" way of doing things - the main touchpoint is the salesman/woman and the customers are used to the situation where the salesperson deals with everything for them, but now we are trying to have relevant dedicated specialists to each dedicated topic that the customer wishes to deal with."* (Head of Asset Management, Germany)

One of the interviewees emphasized another potential area for more integration, which is connected with better training and education of the salesforce specifically for selling the services, because that is something relatively new in the company's portfolio and can present a challenge for the salesforce because of its intangible nature.

> *"[...] we used to be an organization selling tools, not services or software. And now the salesforce needs to learn how to sell something intangible – how to sell profit and productivity to the customer. And not just the customer they are used to be dealing with, but also to the decision maker within the customer's companies. From that standpoint we [marketing] could do a much better job to empower, support, educate and motivate the AMs and TSs to talk about the services every time they are in front of a customer."* (Director Services, North America)

The general agreement was that there is a potential for more integration and that a higher degree of integration would help the lead generation process. The understandable reason for the systems and software not being perfectly integrated was that Hilti is a global company and all these processes are controlled from global headquarters, therefore making it less flexible to integrate everything on the local level. One marketing manager also highlighted that because of the insufficient integration, it can be hard to measure the real cost per lead, because it is affected by events, which are currently not tracked.

> *"[…] when the lead goes out of the system, you need to manually gather it and match it with data and for sure you will miss some data and for sure some other channels or environment affect the results. That is also the reason why for us it is very hard to say what is the cost per lead." (VP Digital Unit, Russia)*

Majority of the sales managers confirmed the high level of integration between the departments, ascribing it mostly to the fact that the marketers have real experience from the sales environment. One area for improvement, mentioned by one of the sales managers was the degree of communication in the form of joint meetings. Even though marketers have certain understanding of sales thanks to the experience they have gained in the past, it would apparently help better understand each other's pain points if the representative of the two departments would meet on a more regular basis.

> *"I think on the local level it is integrated quite well." (Area Sales Manager 1, Czech Republic)*

> *"It would be nice if there could be more joint meetings between Marketing and Sales – ASMs and product managers – so both sides would understand each other better and gain insights into one another's perspective." (Area Sales Manager 2, Czech Republic)*

4.2 Is digital marketing communication a good fit for lead generation in B2B services?

Within the main objectives of digital marketing communication for Hilti, creating awareness and generating leads stood out as the most important ones. Brand building, promoting customer interaction and fostering the relationship was also mentioned, but the majority of interviewees identified lead generation as the main focus of their digital marketing communication.

> *"[…] it is definitely raising awareness and generating leads, but most important is generating leads." (Product Manager Services, United Kingdom)*

> *"In digital marketing we mostly focus on generating leads, because it is mostly trigger based call-to-action activities." (VP Digital Unit, Russia)*

"For us, with regards to the services, the most important objective right now is the lead generation." (Director Services, North America)

"Digital marketing can serve as a supportive channel for sales, but also create awareness among non-customers." (E-Business Manager, Czech Republic)

"Awareness for products and services with our existing customers and supporting sales - both direct online sales and lead generation for salesforce." (Head of Digital and Brand, France)

According to the interviewees, the perceived importance of lead generation has its basis rooted in three reasons. One of them is the perception of creating awareness. When talking about creating awareness, several marketing managers identified it as a prerequisite for lead generation. In order for lead generation to be effective, there is a need to create an audience that will understand the information communicated and therefore have the potential to raise interest in the specific product or service.

"[...] but the initial part is creating awareness and – I would even say community building. Because first you need to create some kind of a community [...] after you have created this audience, you're using all these digital technologies, social media, remarketing, paid banners, advertisements etc. which you use to catch them with call-to-action and generate them as leads." (VP Digital Unit, Russia)

From my point of view, it doesn't make sense to market our services (Fleet and ON!Track) to new potential customers, who have never bought anything from us in the past. They need to at least know and ideally own our tools to be able to imagine using our services." (E-Business Manager, Czech Republic)

Another perceived reason is the correlation of different objectives to different levels of maturity of the specific markets for services. For less mature markets, the awareness creation was identified as the main objective of digital marketing, while for the more mature ones, the lead generation prevailed.

"[...] depending on the maturity of the market, the less mature are in the awareness stage, then it moves to lead generation as the market gets more mature. If the awareness is not there, it makes no sense to try to generate leads. You first need to teach customers that you even have something like Fleet or ON!Track and then run a lead generation campaign." (Director Services, North America)

The measurability of marketing activities and the ability to get the management support for them and being able to justify the required budget for them is also an important reason for lead generation being perceived as the main objective of digital marketing communication.

"With raising and creating awareness there is a lot we can do, but it is very hard to assess the impact of that. So, at the end of the day it comes down to a specific ROI that we need to achieve, and that means having really well counted what exactly is it going to bring us in terms of turnover." (Head of Asset Management, Germany)

"Of course, the only thing that can give you measurable results is lead generation." (VP Digital Unit, Russia)

Brand building was mentioned only as lower priority to lead generation and creating awareness, as it is supported through those activities but isn't the main objective.

"We are not a communication company, so we are not doing communication digitally to only drive our brand image – this is rather a side effect of all our communications." (Head of Digital and Brand, France)

As can be seen from the reasons mentioned above, creating awareness is key for creating the audience and getting the potential customers interested in wanting to know more information about the offered products or services, but it will not produce measurable results that could be justified in front of the management for receiving budget. Thus, there is a challenge for the marketing departments to on one hand prioritize the lead generation, but as the same time promote the brand and product awareness.

Even though the literature states that digital marketing communication is an effective tool for lead generation, the interviewees overall were not completely convinced about it. Some marketers were enthusiastic about the digital approach to lead generation, some were more skeptical. Some mentioned the character of the services as being more suitable for in person communication, some pointed out the low conversion rate, but at the same time acknowledged that even if they do not see the results they would like to see, the results might still be there, and it is just difficult to keep track of them because of the character and transparency of the sales process, which brings us back to the integration discussed in the previous part.

"[...] It is better to really know the content in person and go to the specific decision maker directly in order to inform and transfer information efficiently. The digital marketing is still good though, even despite the fact that not many people convert, fill out forms or even click on the content, because it brings the awareness. [...] later, when the salesman comes to the customer, he/she will have a better ground because the customer already knows something about the service and the meeting is more efficient." (VP Digital Unit, Russia)

"It is relevant to use it [digital marketing] for creating awareness and even generating leads, but it can be very hard to track leads. The customer may get interested in the service because of the digital communication but will not go ahead and fill out a form.

They will rather wait for our salesperson to visit them and then ask them in person." (E-Business Manager, Czech Republic)

"I'm a bit skeptical about what does it mean for us in terms of impact and the only way to really find that out is trying out different ways, different media mix, different channels, to see if it is really effective or not. Which I think it is a general opinion across the whole organization." (Head of Asset Management, Germany)

Those, who were more enthusiastic about the use of digital marketing for lead generation have had some previous positive experience with it. They have at the same time emphasized that they are constantly learning and improving the whole lead generation process in order to increase the quality of leads generated and the processes that follow after the leads are generated.

"It is absolutely possible to generate valid leads with digital marketing and we had already had successes with it. [...] There were two issues we faced, the follow-up process, which should be as transparent as possible and the quality of the leads that, for us, varied a lot. [...] This is in my opinion crucial and people tend to forget about it, because they are happy they managed to generate leads, but they have to not just follow up on them but also evaluate them. [...] now we're working on improving the quality of the leads, which I think is highly dependent on the channels and the content you're using." (Product Manager Services, United Kingdom)

[...] At the end of the day, we always try to generate leads, which should be the main goal, but of course generating awareness is always part of it. [...] With leads, we need to create a business case – we set a budget, set specific objectives, i.e. we want a certain amount of leads, of which we assume this number should convert to a certain part of sales process, we are then able to say, how many of them should result in a contract, count how much revenue will these contracts bring us and then match it against the budget we have set. [...] but the is still a lot we need to learn – how to best generate them, how to "digest" them, how to evaluate them, distribute them to the relevant people. There we don't really have a structured approach yet." (Head of Asset Management, Germany)

The sales managers identified brand awareness and lead generation as the most important objectives of digital marketing, but at the same time reacted somehow cautiously when asked about the effectiveness of digital marketing for lead generation. They expressed that for products or services, that are of higher value and thus have longer and more complicated purchase processes, the personal contact is very important and digital marketing communication might serve only for generating awareness in the beginning of the purchase process.

"Yeah I think it's realistic, but we need to be careful, don't overwhelm the customer with lots of complicated information." (Area Sales Manager 1, Czech Republic)

"Brand awareness yes, lead generation, yes definitely, but I can't imagine selling something solely thanks to the internet. Anyway, it will be the future for sure - and concerning the services, it can serve for creating the overall image of the company." (Area Sales Manager 2, Czech Republic)

"It makes more sense to use it with smaller, cheaper products or consumables. With a big tool or a service, you need to explain the benefits to the customer personally, but digital can be good for spreading the initial awareness." (Area Sales Manager 3, Czech Republic)

From the responses it is quite clear that sales leads can be generated by using digital marketing communication. There is although a clash between two objectives, which are creating awareness and lead generation, where only the second one can produce measurable results with a relatively short-term business impact, whereas the first one should serve as a prerequisite for the second one. This is underlined by the uncertainty of both marketing and sales managers about the effectiveness of digital marketing communication for lead generation. The management should therefore be aware of the awareness and its role in lead generation and not require strictly measurable results at least at the initial part of a marketing campaign.

4.3 Quality of leads, follow-up process and content: the keys to successful lead generation

After digging deeper into the digital marketing channels used, there were several that stood out across all the countries. It was the Hilti website, digital advertising – mainly retargeting through Google AdWords or Google Display, email marketing and social media – particularly Facebook and LinkedIn. Additionally, some MOs use country specific channels such as the local mutations of Facebook and LinkedIn or a business software comparison website called Capterra. The purpose was not to get an extensive overview of all the channels that can possibly be used, but rather to gain insights on different channels and find out if their effectiveness is perceived similarly or contrarily across the different market organizations and whether there are any differences in the perception of marketing and sales managers. Emphasis was also given on the reasoning behind the actual decision to select particular channels for digital marketing communication of services.

Website was claimed to be used by people with Hilti brand awareness and more genuine interest in Hilti products or services, who are already further in the purchase process and therefore have better potential to be generated as leads.

"Emails and website are generating a lot less leads that social media, but these are high quality leads. When people already land on our website, it is either because they searched for asset management related things, or they already had some Hilti brand

awareness or were our customers, hence they were on our website. We are therefore coming from a better position." (Product Manager Services, United Kingdom)

Digital advertising was generally perceived as not very effective, with high cost per lead and low quality of leads.

"It [digital advertising] is similar to print, which is not something that applies to our business model much and something that would present a big investment for a very small target group." (Head of Asset Management, Germany)

"Digital advertising is mainly for generating awareness and redirecting the leads and is also a bit harder to track." (Product Manager Services, United Kingdom)

"Not much success with Google Ads as it was very expensive and produced not so many quality leads." (Director Services, North America)

Regarding the quality of leads, social media could be divided into LinkedIn and the rest. Except for Germany, LinkedIn was overall perceived as a channel generating relatively high-quality leads from relevant audience. The rest, including Facebook, was preferred more for awareness creation, fostering conversations and engaging customers through sharing of interesting content.

"From Facebook, the leads were almost not viable, so it generated a lot of work for us with no result. The quality of leads from LinkedIn was much better, there was higher conversion, we had more sold consultations. Capterra had the best results for us [...] people there know that they want to buy [...] we need to show them that our solution and services are the best ones out there." (Director Services, North America)

"For us, LinkedIn is used for getting to decision makers. But other social media serve the purpose of bringing information about products and services, more entertaining content, social customer support and fostering customer advocacy. The more we are engaging, the more Hilti fans we have, which later can buy and share and later we can use this to generate content, which has higher credibility than content directly from Hilti." (VP Digital Unit, Russia)

"We invested in LinkedIn as our main channel with very mixed results with high awareness, but low number leads and conversions. It wasn't what we expected." (Head of Asset Management, Germany)

All interviewees confirmed the information found in literature. There is no single ideal combination of the right channel mix. It varies across different countries, industries, it also depends on different products or services being marketed. It is a continuous process of trying, testing and evaluating what works well. The process is ongoing also for the reason that nowadays, when trends are changing very fast, marketers need to be aware of and prepared to exploit different possibilities.

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"The channel and content optimization are an ongoing step-by-step change process when you are always evaluating how the different pieces of the campaign and different tactics worked. [...] Our approach in the digital is to constantly evaluate and polish what we do, and this way ensure that it is becoming more and more effective." (Product Manager Services, United Kingdom)

"The process for us is really trying what works well, what less to see what channels we can use to generate high quality leads that have the highest chance to convert." (Head of Asset Management, Germany)

"The marketing we use has to be constantly tested, evaluated and improved. [...] We try to put money in a couple channels, analyze them, evaluate and see if we should continue or not. You need to think outside the box. [...] Whatever you or your friends are using, there is probably a pretty good chance that an owner of a construction company is also using it." (Director Services, North America)

Among the desired success factors of digital marketing communication, the focus on high quality leads was emphasized. It was explained by targeting customers further in the purchase process, which are more likely to convert. Another point was the need to evaluate the quality of leads because it can be discouraging for the salesforce to receive many low-quality leads with very little potential to convert to a sale.

"Generally, it's great to focus on the people who are already further in the buying process, have some information about the service and when they contact us, they are really decided they will buy something." (Director Services, North America)

"[...] crosscheck the quality of the lead via a phone call from our back office before transferring it to the salesforce to see if there if there is really the need with this customer. This way we won't overwhelm our salesforce with low-quality leads which would just frustrate them." (Head of Asset Management, Germany)

Another point, however, is the follow-up system and process. It should be clearly defined and transparent, with visibility to all the stages of the process. The follow-up also has to be done as fast as possible.

"[...] even more important is the follow-up system. Because without that you cannot even learn about the quality of the leads, if you don't have a transparent track of what is happening with your leads once they are created." (Product Manager Services, United Kingdom)

It is important to set the follow-up process for the leads we generate. And the critical part here is that you need to follow-up on the lead very quickly. There we should aim at max two days. [...] The challenge is also how do we make sure that the person we send the lead to will follow up etc. and how do we generally check the process along the pipeline." (Head of Asset Management, Germany)

"Follow up, fast. With our virtual consultants, we manage to follow up on every lead in less than 24 hours." (Director Services, North America)

This was endorsed by the sales managers, who saw the issue from the customer's point of view and confirmed that the follow-up has to be almost immediate.

"Once we somehow identify that a customer is interested, we should react immediately. Ask the customer what exactly he is interested in, set up a meeting etc. Because if we wait, after one week the customer will most probably forget what he saw online a week ago." (Area Sales Manager 3, Czech Republic)

Besides, the sales managers point of view was focused mainly on the content of the communication. Keeping the content understandable and speaking the customer's language was something they mentioned immediately.

"We should pay attention to the quality of content we are sending. We need to make sure that the content is understandable for the customer, so it would catch their attention and make them interact with us." (Area Sales Manager 1, Czech Republic)

"The content should be understandable for the customer. […] It should be distributed in short targeted messages promoting the benefits of the service." (Area Sales Manager 2, Czech Republic)

"Content wise – it can be even simple content, non-elaborate, non-sophisticated content, in a form of banners and it will probably still work at least for creating the awareness." (Director Services, North America)

The easiness of contact with the company for a customer is another key aspect highlighted by the sales managers. They emphasized that on top of the content being understandable, it must be very easy for the customer to reach the supplier/service provider. This was endorsed by the German service manager.

"We are also working on making it as easy as possible for the customer to reach out to us." (Head of Asset Management, Germany)

[…] we need to be careful, don't overwhelm them with long forms to fill out. (Area Sales Manager 1, Czech Republic)

"The customer doesn't have time to spend it on filling out forms on our webpage, we should make it as easy as possible for him to let us know he is interested." (Area Sales Manager 4, Czech Republic)

Comprehensibility of the content and its easiness to understand were not the only topics related to the content. The way of communicating the message was also discussed and there the interviewees confirmed, what can be found in the literature and they

underlined the paradigm shift from the marketer being a broadcaster of information to the customer to an aggregator, bringing content together and moderating the discussion with potential customers (Weber, 2009). Some of them highlighted the transition from one to another, others emphasized that they still use both approaches, they just serve different purposes.

> *"We tried both, but the focus on the pain points without stating the product/service name beforehand made people more interested in finding out more information about the product/service." (Head of Asset Management, Germany)*

> *"We started from the basic approach – this is our service, and this is what it does. Then we switched more to the problem focus – what kinds of problems it solves for the customer. And what we are focusing on now are the benefits it brings to the customer and talking also about the issues." (Product Manager Services, United Kingdom)*

> *"[...] from my point of view, if you use the push approach, nobody will react to it. Promote the benefits the service can bring to the customer, not the service itself. Use real examples, testimonials etc. Nobody really cares that it's called ON!Track or Fleet management, the customer is interested in what problems it can solve and how much will it cost him." (E-Business Manager, Czech Republic)*

One example was using the push/broadcaster approach internally and the pull externally.

> *"For internal marketing we use the push marketing. Pull marketing we use externally, and thanks to the digital marketing it's more possible then it was ever before. We try to get more testimonials, use more outside the box thinking, like blogs or even Pinterest, Instagram." (Director Services, North America)*

Another example mentioned that the suitability of different channels for different approach was defined by the nature of the channels themselves.

> *"We use both – pull can only happen if the awareness is high enough, and to have high awareness you need push." (Head of Digital and Brand, France)*

> *"On social media it is the pull approach because you need to hear what the customer wants to discuss and look at what they react on. On the website it is mixed, [...] but at the same time we try to create content that is engaging, that people don't consider as something to primarily sell them stuff but also to educate or solve their issues or questions." (VP Digital Unit, Russia)*

This approach was endorsed by the sales managers. All of them were more in favor of promoting and highlighting the benefits of the specific product or service even without using its name explicitly. The reasoning behind this is again the much-needed understandability of content and requirement to speak the customers' language.

"The customer will search for the potential benefits, but we need to speak the customer's language – don't say asset management, because the customer will in reality never understand it." (Area Sales Manager 1, Czech Republic)

"I would not promote ON!Track and Fleet as such, but more promote the benefits. This would in my opinion also help with creating brand awareness and establishing the company as a thought leader." (Area Sales Manager 2, Czech Republic)

"Customers might sometimes research a bit, but mostly searching for something that could help them improve a specific process and then they stumble upon Fleet or ON!Track." (Area Sales Manager 4, Czech Republic)

According to the literature, employee advocacy helps increase awareness and improve the quality of generated leads. Content shared through individuals mostly on social media is said to produce higher reach and should be perceived as more credible by the reader. It is supposed to work particularly well in B2B environment producing a kind of digital word-of-mouth. Our findings show that the perception of employee advocacy is generally positive, but when it comes to the actual implementation, there are certain obstacles and challenges not stated in the literature.

"I think this could definitely bring something. The question is how exactly we could do it." (Head of Asset Management, Germany)

"From the C-levels and generally higher-level employees it could work, but..." (Director Services, North America)

The challenges are connected with a certain level of unproficiency of employees in using social media, which leads them to doubts and hesitations whether something like this actually makes sense. Another obstacle, which is connected to the previous point, can be the inability to gain scale, i.e. to ensure that a high proportion of employees would share the content.

"We're in the transition between generations, millennials and non-millennials. There are some people, who are using it, but getting people, who are not using it, to use social media is like pulling teeth." (Director Services, North America)

"We tried it and we had only a small number of employees actually sharing content and they were always the same people." (Product Manager Services, United Kingdom)

"[...] I see two barriers – how to get people to do it and second – there is still a lot of people there are not very proficient with social media." (Head of Asset Management, Germany)

"Employees are eager to do so but don't have the necessary skills and knowledge to do it effectively. Therefore, we now started trainings on social media usage – how to post,

how to get into contact with potential customers etc." (Head of Digital and Brand, France)

Additionally, the nature of Hilti business model, which is deeply rooted in direct sales could affect the level of success of employee advocacy. Depending on the nature of relationship the salesperson has with the customer and the level of trust the customer has in him/her, it can be either successful or not very much.

"The chance to convert existing customers to services is closely connected to the relationship with their specific salesperson. If he/she would make use of digital communication, the customer would have a higher chance to start being interested in it." (E-Business Manager, Czech Republic)

The sales managers' point of view was split equally. Half of them were positive, and because they themselves had a LinkedIn profile, they knew that the customers have it as well and in their point of view especially higher-level managers, directors and C-levels from Hilti sharing relevant content were seen as the highest potential for success. The other half pointed out that not many of their customers had social media profiles and the sales managers themselves either did not have it or did not use it.

"This could work if managers and C-levels would share it. It suddenly becomes a more reliable source, when you see that something was shared from a person you know." (Area Sales Manager 2, Czech Republic)

"I don't know many customers, who would have a LinkedIn profile and used it regularly. Maybe the younger generation, but these are not in the managerial positions yet." (Area Sales Manager 3, Czech Republic)

From the responses gathered it seems that we truly are in a transition from one generation to another and it could be the case that the older generation is just skeptical of using social media, because they lack the experience with them. Even if we assume that in several years majority of the company will be proficient and much more natural users of social media, there is still the issue of getting the majority of company to share it. One possibility can be telling the employees to do it as a part of their job.

"If it were up to me, I would force every director level and above to share Fleet and ON!Track posts on their LinkedIn profiles. It is a professional site that people can use in their work life, and if someone doesn't see the benefit, then his boss should ask him to do it anyway as a part of his job." (Director Services, North America)

As we can see from the findings, there are several channels used commonly across all Hilti MOs. The ideal combination is not given, though, and every MO adapts it according to the local needs and environment. The commonly used approach is to try, test and evaluate and based on the results either use the channel or not. The key success

factors of lead generation for Hilti are the focus on quality instead of quantity, and a clearly defined follow-up process, which enables the company to contact every lead within the shortest time possible. With regards to content, there is a paradigm shift in communication from push to pull and therefore it should be the company's focus to facilitate conversations with potential buyers instead of just promoting the product/service features. There is a potential for the communication to be enhanced through Hilti employees and owing to the direct sales business model and a large salesforce, the company has a good potential for success. In order for the employee advocacy to work well, there has to be relevant and interesting content made easily available for the employees, the need and objectives should be clearly communicated to them and there should be management support with managers acting as role models for the other employees.

4.4 Integrating digital and offline communication to reach all relevant decision makers

Digital content marketing is more effective in terms of lead generation than in-person (offline) content marketing. This information found in literature was not fully supported by our interviewees, who argued that it is not possible to clearly determine what is more effective, because offline and online channels should be integrated and complementary, i.e. one shouldn't be used without the other. Only then, full effectiveness can be achieved.

> *"We should do both, but at the same time, the world just keeps transitioning to more instantaneous information. So, if I get a limited amount of money, I would put most of it in digital marketing." (Director Services, North America)*

> *"[...] both, they need to work together, none of them is better by itself, they just need to be integrated and support each other." (Product Manager Services, United Kingdom)*

> *"It [digital marketing communication] should be complementary to the other marketing activities we do. It can be a follow-up of an offline event that took place for example. To achieve effectiveness and full potential, we should coordinate with other channels." (Head of Asset Management, Germany)*

As a reason for this, the length of the sales cycle with B2B services and the complexity of the service were mentioned. Customers considering a purchase of a service or software are naturally facing greater investment than with the purchase of a product and it presents a significant process change for the whole company. Therefore, the sales cycle is long, and the customer usually needs to come across relevant marketing content several times before he/she understands the benefits and starts considering the purchase of the service.

> *"The purchase process with services is also more long term, and the decision maker needs to see certain content more times. He needs to think about it, sleep on it, think about it again, etc., because it just takes him time to decide." (VP Digital Unit, Russia)*

> *"[...] it is definitely a long process when it comes to selling services, much longer than with products." (Head of Asset Management, Germany)*

When discussing the integration of digital communication across various channels, the interviewees brought up some interesting points. Majority pointed out that the various channels they use serve different purposes and are reaching different kind of audience, but at the same time they expressed the need for content to be integrated across the channels, to send a similar message and talk about similar topics, which helps in achieving better results and generates more leads.

> *"For us, the messages are synchronized across all the channels. The nature of the channels can determine what purpose it can serve." (Product Manager Services, United Kingdom)*

> *"Our website has several purposes which are synchronized globally, and we support that with different channels, functionalities, content, etc. For social media, there are different platforms serving different needs, but the message is typically the same." (VP Digital Unit, Russia)*

> *"It shouldn't be the case that I'm a person dedicated to marketing ON!Track and I'm not going to listen to our customers' interest about let's say anchors and drill bits. The more non-siloed we are and the more integration we have, then the more aware we are of the customers' needs and the more able we are to offer them the right solution." (Director Services, North America)*

There were differences between the market organization in the degree of integration. Some interviewees were speaking out of experience, some were expressing their points of view and acknowledged that this is something they need to work on.

> *"It should be integrated in a sense that we should use as many channels as it makes sense for us to spread the similar kind of message to potential or current customers." (Head of Asset Management, Germany)*

> *"[...] the channels are pretty different, they have different target audiences, but at the same time they should be integrated and communicate the same content. Mainly the social media have historically been separated from the rest, but it should be more integrated." (E-Business Manager, Czech Republic)*

> *"Each channel has their own unique purpose, it is the channel mix and integration that makes a digital marketing communication strategy successful" (Head of Digital and Brand, France)*

Sales managers had a similar opinion as marketers. They mentioned the integration as something they would appreciate more if they were in the customers' shoes. The fact that a company feels omnipresent across a broad range of channels was described as appealing to the customer and subconsciously increase the credibility of the company.

"It should be more connected - among various channels, sending similar messages. When I see the communication of one hobby market, they have it very well done in the sense that it can be found across various channels, the content is plain simple and funny, and it just makes me go there." (Area Sales Manager 2, Czech Republic)

"The marketing communication should be integrated across channels. It shouldn't be too over informative in my opinion – especially when it comes to services." (Area Sales Manager 3, Czech Republic)

Moreover, when marketing services, the content shouldn't be targeted solely on the main decision makers – owners, directors and CEOs, but also to employees who can directly influence their decisions and can understand the value of the service in a different way than just the final effect it has on the bottom line.

"I think it makes sense to target not only the decision makers, but also people in a close relationship with them, purchasing managers, higher level site (project) managers, etc. They are the ones actually working with the service, so they can push and drive it forward in the company." (Area Sales Manager 2, Czech Republic)

"When we were doing an onsite analysis for ON!Track at one customer and in the end, after we were presenting results to the owner, he was still hesitant, but then the warehouse manager stood up and said: 'I really want this software, I think it can make things a lot easier for us.' And that's what made the owner decide." (Area Sales Manager 4, Czech Republic)

Based on our findings, in order to support lead generation to the largest extent possible, the company should strive for both online and offline communication of relevant content for the services it offers. One type should be complementary to the other to get the message across more effectively, taking into consideration the long purchase cycle. Within the digital communication, the channels serve different purposes, i.e. are targeting various audiences, but again the message should be integrated and the content similar across all channels. The communication ought not to be targeted only at the key decision makers, but also on their direct influencers, who can understand the value proposition better and drive the implementation of the service.

4.5 Skepticism and lack of expertise hampering lead generation

Internal barriers to effective lead generation through digital marketing communication described in the literature include among others the lack of resources (either in terms of content creation or monetary resources for digital advertising), lack of expertise and companies' perception of digital marketing communication as irrelevant for their industry. The first barrier was not confirmed by the interviewees. The reason for this is that majority of content is supplied by the headquarters or globally shared if created by a certain region and therefore the respective MOs do not need to create it from scratch and only localize it. There has been one remark on this issue, but overall it was not stated as a barrier.

> *"If you want to create content yourself - it is a lot of effort, also budget-wise, etc. [...] So it is much better to have content ready from Schaan. There was not much in the past, but now we have enough content coming from the headquarters." (Product Manager Services, United Kingdom)*

The lack of expertise, however, resonated well with the interviewees. Several of them mentioned that there is a clear need for external talent in the area of digital marketing and the digital departments are either understaffed or filled with people, who are lacking the proper expertise. This is the case due to the promotion culture in Hilti, where the employees of the company are usually offered a promotion before sourcing talent externally.

> *"In Hilti we believe that with clever people we can be able to, in a very short time, gain the experience and insights to do it ourselves. And I think this is such a specialized topic that we will have to hire experts and not only have people, who grew up from within and landed on those positions." (Head of Asset Management, Germany)*

> *"[...] we put people without much experience on these [digital marketing] positions. [...] We think that we can learn it ourselves, but we can't, we need to bring in people, who understand it and then learn from them." (VP Digital Unit, Russia)*

> *"There is completely new set of skills required – so HR wise, this is a big challenge, we need new profiles to recruit and it is difficult to engage them on the classical Hilti career path." (Head of Digital and Brand, France)*

The third barrier mentioned in literature, which is the skepticism of employees towards digital marketing and the perception of digital marketing communication as irrelevant to the construction industry, was partly confirmed. Marketers generally believed in the success of digital marketing communication, but at the same time admitted that among other departments and particularly Sales, the perception of digital marketing in the

company is not the most positive. It could be connected to the what was mentioned above regarding the transition between generations. In any case, increased training and internal education could probably improve the situation and the mindset towards digital.

> *"People tend to say that construction industry is not digitally advanced, but I don't agree with that. I think that workers in general are very tech savvy. We just don't give them enough credit. [...] Sometimes we start to go digital, without educating internally."* (Director Services, North America)

> *"I'm a bit skeptical about my colleagues' perception of what does it [digital marketing communication] mean for us in terms of impact [...]"* (Head of Asset Management, Germany)

> *"[...] and then in some countries people don't see the value in digital marketing."* (VP Digital Unit, Russia)

Sales managers were more skeptical than marketers. Digital marketing was marked as not very relevant for construction industry yet, based on the fact that most customers are not actively using digital channels at the moment. The question is if it's really the case or only a perception of Sales because they have also marked themselves as hesitant towards digital marketing. Similarly, as with the marketing managers, the internal training and education were seen as necessary for digital marketing communication to successfully generate leads and for Sales to convert them into customers.

> *"It is clear the construction and agriculture are among the least digitally penetrated industries. Our customers tend not to proactively search for new information about products (or services). We don't have the use of digital in our heads – in general with new technologies, we should receive more training and information."* (Area Sales Manager 1, Czech Republic)

> *"In our industry it is just hard, because not many people use it. It will probably be the trend in the future, but for now, I don't see many customers being very enthusiastic about digital. Anyway, if we decide to use it, we have to promote it internally, train and ensure that everyone understands it."* (Area Sales Manager 3, Czech Republic)

In summary, there were two internal barriers perceived as the most serious in terms of successfully generating leads with digital marketing communication – lack of quality human resources with relevant expertise and skepticism of employees connected with perceived skepticism of customers towards digital marketing overall. Possible solution could be to ensure that relevant people on managerial positions are aware of these issues and do not prioritize promoting internally over hiring externally, where the relevant talent can be found. Secondly, it is important to educate the employees about digital and provide them with relevant training. Even if it may be the case that construction

industry is not very digitalized yet, it will gradually become more and more, and Hilti has to be prepared for it.

Based on the research findings, the author has created a model, having its basis in the sales funnel framework (D'Haen & Van den Poel, 2013), which summarizes the key outcomes and recommendations connected to the relevant stages of the sales funnel. They are further discussed in the discussion and managerial recommendations parts.

Figure 7: Digital marketing communication in Hilti – key success factors

Barriers

Overcoming **employee skepticism** towards digital marketing

Openness towards **sourcing external talent**

Awareness creation

Trainings and information exchange to increase sales confidence with selling services

Management focus on awareness creation as an objective of DMC

Comprehensible content focused on **customers' needs**

Lead follow-up process

A sales-ready **lead defined together by Sales & Marketing**

Clear and transparent follow-up process by Sales & Marketing

Follow-up on every sales-ready lead **as soon as possible**

Existing customers & New customers

Awareness creation

VIP customers & New customers

Lead qualification

Interested customers   HANDOFF

Lead follow-up process

Negotiation

Purchase

Awareness creation & Lead qualification

Integrated offline and online communication & follow-up

Communication **aligned across all digital channels**

Easily accessible content **amplified by employees** enabled through training

Targeting **decision makers** and their **direct influencers**

Focus on **high-quality leads,** not on quantity

Source: Author

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5   Discussion

The goal of the study was to discover the success factors of digital marketing strategy that will generate high-quality sales leads for Hilti strategic services – Fleet management and ON!Track. The author talked to six digital marketing or service managers and four sales managers using the qualitative research method of semi-structured interviews. All of the marketing or service managers had previous experience with digital marketing communication of services in Hilti. In order to get the view from a customer's perspective, the author interviewed four sales managers from Hilti Czech Republic. On top of the customer perspective, the reason for including sales managers was to uncover, whether there is any clash between the perspectives of marketing and sales departments and in what sense specifically.

According to the study outcomes, the key role of marketing in Hilti is supporting salesforce with relevant marketing mix. This was the consensus of both groups of interviewees. On top of the sales support, sales managers highlighted the product and service awareness creation and concluded that lead generation is still at an incumbent stage – at least in Hilti Czech Republic. The integration of marketing and sales in Hilti was generally perceived as at a high level, with one of the reasons being the work experience of majority of marketers in sales prior to their current position. The research findings, however, revealed several areas with a potential for improvement of the integration between the two departments. First of them was the integration of systems and software, which are currently being used. As a result of the insufficient integration, to support sales with lead generation, marketers have to extract data manually, which is among other processes hampering the lead follow-up process. The transparency and traceability of the lead follow-up process was the second area for improvement in the interdepartmental integration. There is a need for the two departments to work together and specifically identify all the components of the process in order to make the transition of leads from marketing to sales as smooth as possible. The last area with a potential for improvement is connected with the shift of Hilti business model from selling products to also selling services and software, which is something the salesforce is still not used to. Therefore, there is a potential for more trainings aimed at increasing the sales managers' confidence in selling something as intangible as services. Sales managers expressed the need for a greater information exchange between the two departments to gain insights into each other's perspective, which confirms the point made above that the sales force is not feeling completely confident and comfortable while selling the services.

When analyzing the objectives of digital marketing communication, the results showed that creating awareness and supporting sales with lead generation were perceived as the main ones. Creating awareness was identified as a prerequisite to lead generation,

meaning that it was determined as necessary to create an audience or make the current audience aware of and familiar with the product or service the company is selling. Only then they will be able to react on it and be generated as leads. It, however, presents a challenge for marketers and their managers, because in order to provide marketers with budget, the managers like to see measurable outcomes with a positive influence on business results. And with creating awareness as an objective of digital marketing communication, this is difficult to prove. This situation might be the reason why even some marketers are generally skeptical towards the effectivity of digital marketing communication for lead generation. With positive past experience, however, the attitude becomes more positive.

Based on the study results, the perceived key tools of a successful lead generation strategy are the focus on quality of leads instead of quantity, the lead follow-up process and the right form and approach of communicating the content. The results also showed that there is not an ideal combination of marketing channels, which would help improve the lead generation process. The channels have to be constantly evaluated and thereafter it can be determined whether they are a good fit or not. The focus on quality leads translates to targeting potential customers which are already further in their purchase process and they are therefore usually determined to buy, they are just evaluating different options. The crucial part of the lead generation strategy is the follow-up process, which should be clearly defined and transparent, and most importantly established in a way, so it would be possible to follow up on the leads in the shortest period of time possible.

With regards to the content, the comprehensibility and understandability of content for the customer is the most important in digital marketing communication. There is an ongoing paradigm shift from the push approach of marketing communication to the pull approach. Marketers have to provide potential customers with useful, interesting and informative content, without the explicit selling message behind it. For Hilti it however still makes sense to use the push approach to a certain extent, on some channels, such as the website, combined with the pull approach and internally, to educate salesforce about the services sold. The marketing communication can be enhanced through employee advocacy, where Hilti has a great potential to make use of the large base of sales representatives. In practice, there is however still a relatively low proficiency in social media among the employees, which stems from the present transition between generations. While the younger generation of employees has a positive attitude towards social media, with the older generation the opposite is quite often the case. This presents a challenge for Hilti in getting the majority of employees to support the marketing communication. To reach the relevant target audience, there is a need for Hilti to use both offline and online channels, because of the length of the purchase cycle and the complexity of the services. The messages communicated through the channels,

especially the digital channels, should be aligned and similar, even though the channels serve different purposes. Despite the customers' key decision makers being the ones making the final purchase decision, the marketing communication should not be targeted solely at them but also their direct influencers within the customers' company.

The study showed two main internal barriers of generating sales leads with digital marketing communication. First of them is the lack of expertise within digital marketing departments in Hilti. Because of the promotion culture in the company, according to which internal talent is preferred over hiring external talent, there is a lack of relevant skillset and expertise required in the digital marketing departments. Another barrier was the already mentioned skepticism of employees towards digital marketing. There is still a high number of employees, particularly in sales, who believe in personal contact, and do not perceive digital marketing as useful. There is also a general perception of construction industry as one of the least digitally advanced.

If we compare the overall approach of sales and marketing representatives towards all the topics discussed, it is clear that there are no contradictory opinions on any of them between the two departments. This comes as a positive surprise taking into account what was found in the literature. The reason is most probably the high level of integration and the already mentioned experience of marketing employees with sales. Even though the responses were aiming in the same directions, there was a difference in the perceptions of the problems discussed. Sales managers always thought about the customer in the first place and found it crucial to have as much information as possible to be able to communicate it well to the customer. Marketers on the other hand, were mostly concerned about the service characteristics and about making the internal processes effective to be able to support sales in the best way possible. According to the study by (Homburg & Jensen, 2007) this type of relationship is beneficial for the performance of the company.

In summary, the main success factors of a digital marketing strategy for generating sales leads were identified as 1. Integration of processes and effective information transfer between marketing and sales departments, 2. Clearly defined objectives of digital marketing communication with management support for creating awareness, 3. Focus on high-quality leads instead of generating as many as possible, 4. Effective and transparent follow-up process, 5. Understandable content, delivered through an integrated, customer-centered approach and amplified by the employees, 6. Overcoming the skepticism towards digital marketing and 7. Openness towards sourcing external talent.

5.1 Managerial recommendations

The results of this study send several messages to the managerial practice. First, managers need to understand that the degree of integration between marketing and sales processes helps with lead generation, particularly with the follow-up process and the smooth transfer of leads from marketing to sales. In Hilti, the integration of systems and software is coordinated globally, which makes it a long and difficult process with little influence from the regional countries. Still, locally, managers should find tools to bridge the gap if possible. One example can be the deployment of virtual consultants as in the MO United States, although this is most probably too large scale for Czech Republic, because a steady stream of leads would need to be ensured. A similar task can however be assigned to an existing employee as a part of his/her daily work tasks. The reluctance and unwillingness of sales representatives towards selling the services should be tackled by providing them with more information and promoting conversations and information exchange between them and the marketing department.

Second, the awareness creation is perceived as a necessary first step for the lead generation. Awareness creation is very difficult to measure, and therefore hard to justify in front of the management. Managers should, however, be aware of this and should not focus strictly on measurable results when allocating budgets for digital marketing campaigns. Furthermore, because of the dynamic nature of digital marketing, managers should support marketing departments in testing new channels, evaluating them and if successful, implementing them.

Third, managers should encourage sales and marketing departments to cooperate on creating a clear and transparent lead follow-up process. It should be clearly defined who checks the quality of leads, to whom are they transferred, how long should it take to follow up etc. Additionally, it is more effective to focus on higher quality leads rather than generating as many leads as possible. The Hilti website is used by people that already have some brand awareness and a lot of them already are Hilti customers – they therefore make better targets and when they already land on the website they are most probably further in the buying process, meaning that they qualify as high-quality leads. If the website is utilized well by the usage of relevant content, it could be a very successful channel for lead generation.

Fourth, the content approach to marketing communication is transitioning from push to pull and managers should be aware of that. It is not desirable to use the hard-selling message and to push the service name along with its main features towards the customer. There should be a focus on customers' problems while offering solutions to those through the marketing messages, enabling discussion and leaving the customer enriched with new information and insights after consuming the content. Hilti is perceived as an expert and partner of professionals in the field of construction and it

should strive to become the same in the digital environment. Moreover, to support the marketing communication through employees, there is a need to tackle the unproficiency by implementing trainings about social media and digital marketing in general. Social media usage for business context should be communicated and promoted internally, and managers should be involved in the process, so that the rest of the employees follows their example.

Fifth, offline and online marketing communication should be integrated. More specifically, in-person events should be followed up with digital communication, INPs should be supported digitally, etc. Besides that, the messages communicated should be coordinated across all the channels, to ensure consistency. To provide an example, it should not be the case that LinkedIn is used only for recruiting purposes, because there is a potential beyond this type of communication. Generally, the availability of information from multiple sources increases its credibility and trustworthiness and the number of information sources utilized is positively related to the frequency of buying. Increasing the number of communication channels can therefore have a positive effect on lead generation. Managers should bear this in mind when discussing marketing campaigns.

As the last point, there are two main internal barriers of using digital marketing communication for lead generation. The first one is the general skepticism towards digital marketing. Managers should be the driving force of the digital change in the company. They should serve as role models especially for these employees, who might perceive it unnecessary and inefficient to use digital marketing. There should be trainings and educative sessions to promote the digital transformation in the employees' minds. Another key point is that managers need to be aware of the skills and capabilities and often previous experience required for positions in digital marketing teams, which cannot be easily acquired within a short time frame for someone, who was promoted to the position from a different department within the company. Managers should be open to hiring external talent, which brings a fresh perspective to the department and from which, the current employees can learn.

5.2 Research limitations and areas for further research

This study is based on qualitative data, acquired through individual interviews. The goal of the study was by the nature of the research not to present statistically representative conclusions, but rather offer deeper insights into the key success factors of lead generation strategy as perceived by marketing and sales experts and present different opinions on the matter. The research sample presented in this study is quite low, consisting of six marketing managers and four sales managers overall from only six different countries. Consequently, the study has a rather exploratory character, which requires future studies to validate and extend the findings with a larger sample size.

Moreover, the marketing and sales managers were mostly members of the millennial generation, which does not correctly reflect the current distribution of employees in the company, but on the other hand, with the ongoing transition between generations, it provides a realistic outlook for the future.

The main limitation of this research is that it only concerns one company and therefore findings and implications are limited and cannot be completely generalized to other settings and companies. Because of the aim to present an investigation relevant for practice, this limits our findings from the perspective of research. This research covers the most frequently mentioned aspects of lead generation, perceived as most important and not the broad scope and consequently, this study does not aim to exhaustively include and evaluate all possible channels of digital marketing communication. The aim was to include those channels, that are commonly used by Hilti MOs across the world, spot the differences and find potential areas for improvement of digital marketing communication on the local level.

Further research should investigate the consumers' perspective, particularly the decision makers', to find out what content are the consumers interested in and perceive as trustworthy and valuable, what channels do they use etc. Future research should also test the generalizability of our findings, using a larger sample of companies across different industries. It might be worthwhile to confirm whether all the marketing channels mentioned in this study, are suitable for lead generation or whether some of them should be used for a more soft-sell approach with objectives such as creating awareness and building the brand or enhancing communications with existing customers. This could be investigated by using a combination of quantitative approach to evaluate the performance of different digital marketing channels and qualitative approach to explore in-depth the experience of marketing professionals with the specific channels use for specifics objectives.

Conclusion

The goal of this study was to identify the key success factors of a lead generation strategy for Hilti's strategic services through digital marketing communication. From the literature review, the reader can first get an understanding of the different roles of marketing, its integration with sales department and the benefits or issues for lead generation arising from either a high or low degree of integration. Furthermore, the concept of lead generation is explained along with the digital marketing communication objectives, form and tools, which promote lead generation. The last part of literature review offers insights into the specifics of B2B services and the role of B2B decision makers in the buying process.

In the original research, semi structured interviews were conducted with six digital marketing or services managers and four sales managers from Hilti. The marketing managers were all from different countries, which were all hubs of their respective regions except for Czech Republic, which is the sub-regional hub. Sales managers were all based in Czech Republic. All marketing managers have worked on digital marketing communication for either of the two strategic services in the past, which was the fundamental requirement to ensure the relevancy of their answers. The reason for including sales managers was to get a more customer centered point of view on the topics and also to find out whether their perceptions and opinions would contradict the marketers', as suggested by the literature. This turned out not to be the case predominantly, however, there were some differences in their approach to certain topics, which can be found in more detail in the discussion part.

The author conducted the study with the aim to answer the following research question: What are the key success factors of a digital marketing strategy with the goal of generating sales leads for Hilti strategic services? To be able to answer the main research question, the author further structured the problem into 4 sub-questions, which led him to a synthesis of the key success factors.

Initially, it was determined that the integration of sales and marketing departments is beneficial to lead generation. There are several areas for improvement though, such as the systems and software used, transparency of the follow-up process and the reluctance of the salesforce towards selling the services, which can be tackled by increased trainings and cooperation between the two departments.

Secondly, with regards to the objectives of digital marketing communication, we concluded that creating awareness is a prerequisite for lead generation and the initial efforts should therefore be focused on creating awareness. Once the awareness is established, communication can focus on lead generation. Managers should be aware of this and have a certain tolerance for marketing campaigns, which do not have lead

generation as their primary goal and objective. Only then, the marketing managers will be able to create the initial awareness and move to the lead generation at a later stage.

Thirdly, we found out that in order for the lead generation to be effective, marketers should prioritize quality leads over generating a lot of them. This can reached by targeting consumers further in the purchase funnel. Additionally, the lead follow-up process is crucial for lead generation. Only if there is a defined and clear follow-up process, leads can be effectively transferred to sales department and most importantly, there is much higher chance they will convert. In line with the literature, the ongoing shift from push to pull approach regarding the communication of content was confirmed. Hilti should therefore keep focusing on solving the customers problems instead of taking the hard-selling product-centered approach. For Hilti, being a company with large base of direct sales representatives, there is a great potential for employee advocacy, i.e. amplifying content through employees. To implement it successfully, the unproficiency of employees in social media must be tackled and a way to effectively providing the employees with interesting content must be found. Also, for marketing communication to work effectively, offline and online channels should be integrated, and similar messages should be sent across all of them.

Two main internal barriers were identified, which will be necessary to overcome in order to improve the lead generation process enabled by digital marketing communication. One of them is the skepticism of Hilti employees towards social media and digital marketing in general, caused most probably by the unfamiliarity with these tools. The digital marketing should generally be promoted more within the company, trainings supporting the use of social media for the employees should be implemented and higher-level employees should serve as role models for their teams. Another barrier is the lack of required expertise in digital marketing departments. The reason for this was identified as the tendency to give preference to promoting internally. Tackling this issue by being more open to hiring external talent with the required skillset can be the path to overcoming this barrier.

To summarize, after launching Fleet management in the early 00's and ON!Track Asset management two years ago, Hilti is standing in front of a challenge of reaching more customers with these services, which will not be easy and will require a structured, long-term approach. The company is however of the right track, with a high degree of integration and cooperation between the sales and marketing departments and the overall promotion of innovation within the company, which should nevertheless be more promoted in the area of marketing communication. Hilti should leverage the good relationship between the departments and focus on aligning the processes, especially the lead follow-up process; creating helpful and attractive content to reach the right customer audience and integrating it across all channels to have a concise marketing communication strategy that will effectively generate high-quality leads.

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Appendix

Profile of interviewees

Interviewee	Job title	Country	Years in Hilti
1	E-Business Manager	Czech Republic	3
2	Product Manager Services	United Kingdom	3
3	Director Services	United States	12
4	Head of Asset Management	Germany	7
5	VP Digital Unit	Russia	7
6	Head of Digital and Brand	France	4
7	Area Sales Manager	Czech Republic	8
8	Area Sales Manager	Czech Republic	5
9	Area Sales Manager	Czech Republic	7
10	Area Sales Manager	Czech Republic	6

Interview Structure – Marketing

Objectives	Questions
Identify the **role of marketing** in Hilti and its **relationship with Sales**.	- What is the role of Marketing now? - Should it become more integrated with Sales? - Would it help generate more and better-quality sales leads?
Find out the **objectives** of digital marketing communication (DMC) **in Hilti and its relevancy for generating leads**	- The 4 main objectives of DMC are increasing efficiency of communications, fostering customer relationship and interaction, creating awareness and building the brand and supporting sales (generating leads). Which of these is the main objective for Hilti when using DMC? - Do you think it is effective to use DMC to generate leads?
Discover the **form** of DMC in Hilti - **current state** and **potential** for improvement	- What are the characteristics of your DMC? - What characteristics should it ideally have to generate more and high-quality leads? - Is the role of marketing communication more as a broadcaster for customers (push marketing) or an aggregator who brings content together to enable customer engagement and discussion (pull marketing)? - Is the DMC strategy integrated across various channels or does each channel serve its own unique purpose? - Do you think the integration would help in lead generation? - Do you encourage employees to use social media to share content on their profiles? If yes, how successful has it been so far? If not, why?
Find out the **relevancy of DMC to Fleet and ON!Track** and **characteristics of a successful marketing activity**	- What is the practice in your MO when marketing these services? - Are you using offline or online channels or both and what do you find more effective? - In your opinion, is it effective to use DMC for these services when targeting decision makers? - How are you selecting the distribution channels you are currently using?
Barriers of success when using DMC	- What do you see as the main barriers or drawbacks of using DMC? - Which of the barriers is in your opinion the most important to overcome in order for DMC to be more effective and generate more high-quality leads?

Interview Structure – Sales

Objectives	Questions
Identify the **role of marketing** in Hilti and its **relationship with Sales**.	- What is the role of Marketing now? - Should it become more integrated with Sales? - Would it help generate more and better-quality sales leads?
Find out the **objectives** of digital marketing communication (DMC) **in Hilti and its relevancy for generating leads**	- What do you think are the main objectives of digital marketing in Hilti? - Do you think it is effective to use DMC to generate leads or are offline tactics more effective and relevant to the Hilti customer?
Discover the **form** of DMC in Hilti – **current state** and **potential** for improvement	- What characteristics should the DMC ideally have to generate more and high-quality leads? - Do you think encouraging employees to use social media to share content on their profiles would improve the effectiveness of generating leads via digital marketing communication?
Find out the **relevancy of DMC to Fleet and ON!Track** and **characteristics of a successful marketing activity**	- What is the practice in your MO when marketing these services? - Using offline or online channels or both and what do you find more effective? - Should marketing activities focus on C-level employees or target also other personas? - What are the characteristics of a marketing activity that would successfully reach the relevant targets and generate quality sales leads?
Barriers of success when using DMC	- What do you see as the main barriers or drawbacks of using DMC? - Which of the barriers is in your opinion the most important to overcome in order for DMC to be more effective and generate more high-quality leads?