Lexmark

A New Path to Market

A New Engine for Growth

To say no one cares about printing anymore may be an overstatement. But at a time when enterprise digital transformation is in hyperdrive, print technology and services hardly seem a strategic priority. Still, at a market size of $145 billion globally, print remains integral to business.

Yet, driving growth in this lower-growth space, buffeted as it has been by the pandemic, is the opposite of easy. Growth cannot be achieved with a business-as-usual or marketing-as-usual mindset. But significant growth is exactly what Lexmark *did* achieve through the wholesale transformation of enterprise marketing in 2021.

In a matter of months, marketing pivoted from sales enabler to multi-billion-dollar growth driver. It transformed burdensome, sales-led demand generation by implementing a digitally driven Growth Engine delivering a provocative brand narrative: *companies' digital transformations will fail without print transformation*. In the process, Lexmark redefined the marketing and sales relationship, accelerating revenue growth in its commoditized category.

The net effect: Lexmark has climbed the B2B Effectiveness Ladder with WARC-worthy speed and impact. And it has turned marketing into what it needs to be – a strategic asset driving the Lexmark business forward into the future.

Note: This submission aligns with and exemplifies the WARC/LIONS B2B Effectiveness Ladder, as referenced on page 10.

Watch the Video

LIONS
AN ASCENTIAL COMPANY

WARC
AN ASCENTIAL COMPANY

Market Background & Objectives

The global printer market is fragmented and highly competitive with multiple competitors - ranging from HP and Epson to Canon and Kyocera - locked in daily battle. Positioning and messaging across the space plough familiar ground with storylines about savings, efficiency, and optimization.

Lexmark's goal is to climb the revenue and market share ladder from its current "middle of the pack" position by climbing the B2B Effectiveness Ladder. It seeks to drive solution sales to larger enterprises across its verticals. It seeks to expand its reach in markets around the world. And it seeks to differentiate its offerings both by articulating greater relevance to IT decision makers and by expanding its business into IoT, data intelligence, and other growth arenas.

Lexmark is a dynamic and progressive player that is gaining ground ahead of its market. Yet, to realize its growth ambitions, it needed a far more ambitious and disruptive marketing strategy and approach.
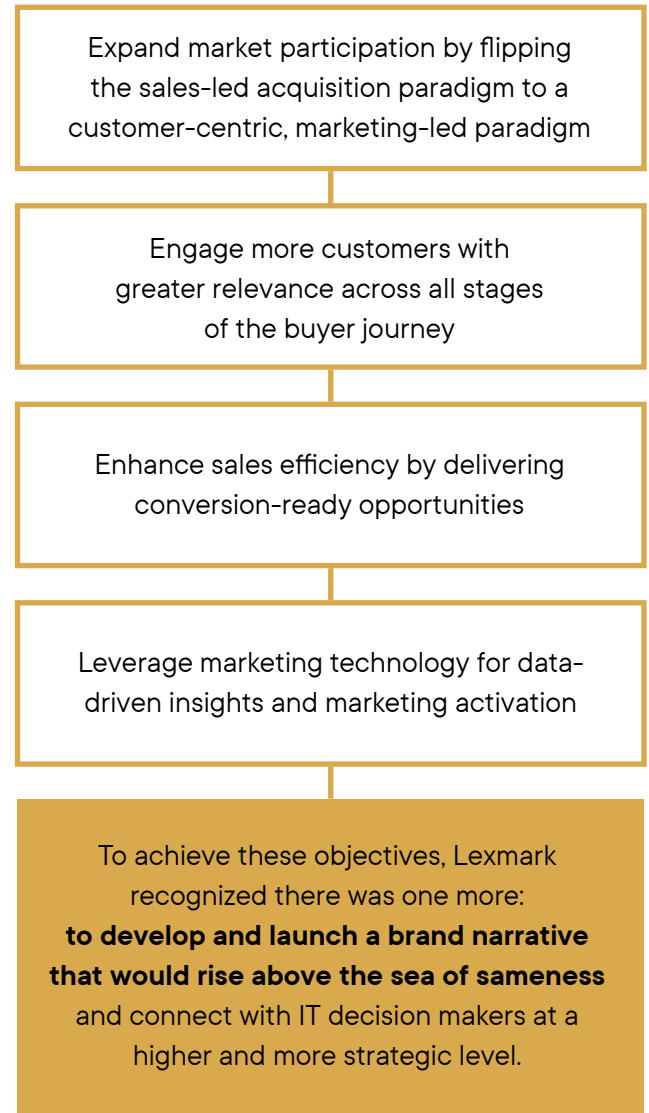
Challenge and Objectives:

Lexmark recognized a fundamental, almost existential go-to-market challenge that had been exacerbated by the pandemic and that needed to be confronted and quickly overcome.

Lexmark had long been a traditional, sales-led, largely tactical business. Marketing had existed solely to enable sales. Lexmark's reach had been constrained by this model. Lexmark's ability to meaningfully engage its audiences had been constrained, as well.

Lexmark's ability to grow had, as a result, been impeded. With the onset of the pandemic, the constraints of the model became unsustainable. A dramatic shift was required, and in short order.

The Lexmark enterprise marketing team identified four business-critical objectives to affect a 180° go-to-market model shift:
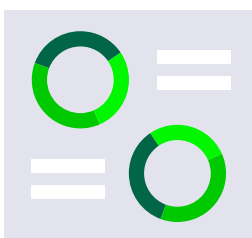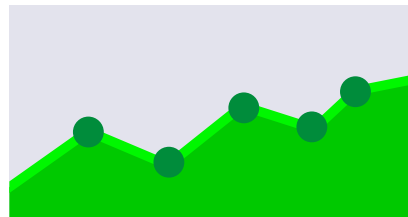
Expand market participation by flipping the sales-led acquisition paradigm to a customer-centric, marketing-led paradigm

Engage more customers with greater relevance across all stages of the buyer journey

Enhance sales efficiency by delivering conversion-ready opportunities

Leverage marketing technology for data-driven insights and marketing activation

To achieve these objectives, Lexmark recognized there was one more: **to develop and launch a brand narrative that would rise above the sea of sameness** and connect with IT decision makers at a higher and more strategic level.

Insight and Strategic Thinking

Two key sets of insights shaped the shift in Lexmark's marketing strategy:

The first was the market reach required to drive growth – and the limited reach Lexmark's sales-led GTM was able to achieve. *By addressing the reach issue, marketing could realize the opportunity to "touch" many more potential buyers.*

The second was the interrelationship of customers' digital transformation strategies and next-generation print infrastructure*. *By bringing this interrelationship to the fore, marketing could realize the opportunity to elevate the Lexmark brand narrative and align it with the sweeping IT issue of the day (and many days to come).*

Next-Gen Print Infrastructure Services: Leveraging Cloud and IoT to Accelerate Your Digital Transformation Strategy

Author: Robert Palmer

*IDC and leading industry analysts increasingly were addressing the critical role of print infrastructure as a barrier to or enabler of successful digital transformation.
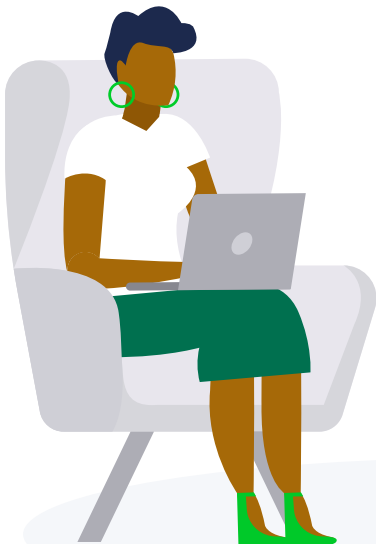
Lexmark Global Market Reach

~40k

Universe of prospective Lexmark enterprise accounts

Sales coverage of prospective accounts

18%

Reaching Far More of the Total Addressable Market, Far More Efficiently

The Lexmark team conducted a deep dive into the brand's potential addressable market, which it pegged at approximately 40,000 prospective and existing accounts. Yet, sales were touching less than 18% of the potential enterprise market! To make matters even more challenging, sales had total control of the customers and prospects with whom marketing could communicate.

Armed with these fact-based insights, Lexmark marketing acted with bravery on behalf of the business. It made the case that the company's business model had to evolve – *significantly* evolve. Marketing needed the freedom to market to the most valuable portion of the potential customer base – the larger enterprises that would take Lexmark upstream – independent of sales but aligned with sales. It further needed to:

Engage uncovered accounts and expand reach with scale.

Use technology to gain insight and respond dynamically to customer behavior.

Expand customer engagement from buying stage focused sales touches to an orchestrated, end-to-end customer journey.

"

It was a brave ask, a risky ask, by marketing. It was met by a bold response from the business: *go for it!*

Transforming the Brand Narrative to Activate Opportunity

Secondary and primary research were clear: digital transformation had become foundational for organizations of all types with huge IT spend attached to it. The being said:

46%

of organizations are still at the beginning stages of digital transformation and only 4% consider themselves fully transformed.

78%

of organizations are investing in cloud infrastructure to drive their DX strategies.

63%

of organizations in developed markets state that integrating new cloud/DX investments with existing IT infrastructure is a major obstacle to successful outcomes.

49%

of organizations say managing their print infrastructure is a significant challenge – and an essential one to overcome for areas ranging from finance to operations to supply chain.

The clear and actionable insight: Establishing print infrastructure as a single point of failure for DX strategies would provoke IT decision makers to engage with the print category – and to engage with Lexmark as the brand most dialed-in to their needs and wants.
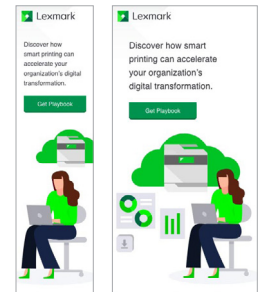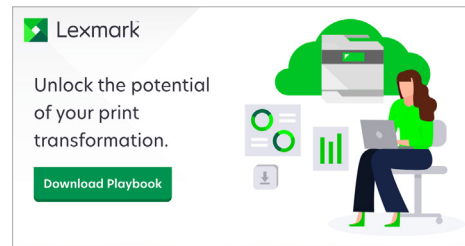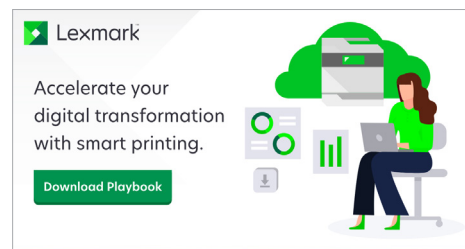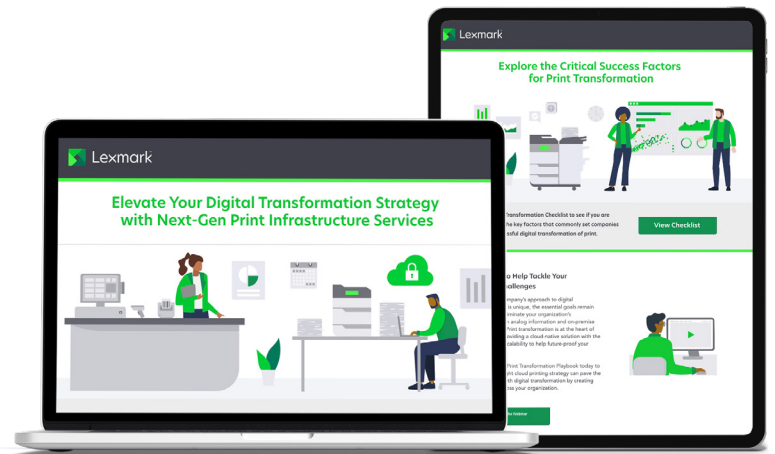
Implementation

The Idea
With sights set so high, Lexmark needed to present its brand and thought leadership at a new and far higher level. It needed to deliver a more proactive narrative and to connect more closely with the issues at the top of the IT audience's collective mind.

Building on the key strategic insights, Lexmark launched its new creative and content strategy. Digital transformation is one of the primary concerns on IT leaders' minds. Print is rarely part of that conversation. Yet, companies who ignore print are dooming their digital transformation initiatives to fail.

Almost counter intuitively, print transformation needed to be viewed as integral to effective digital transformation. Led by this new, connected narrative and content experiences across campaigns and verticals, Lexmark inspired its audience to actively consider the relationship between print infrastructure and their digital transformation priorities. And they did, with Lexmark achieving a 250% increase in engagement rates across campaigns and nurtures, helping to build new momentum with the enterprise audience.
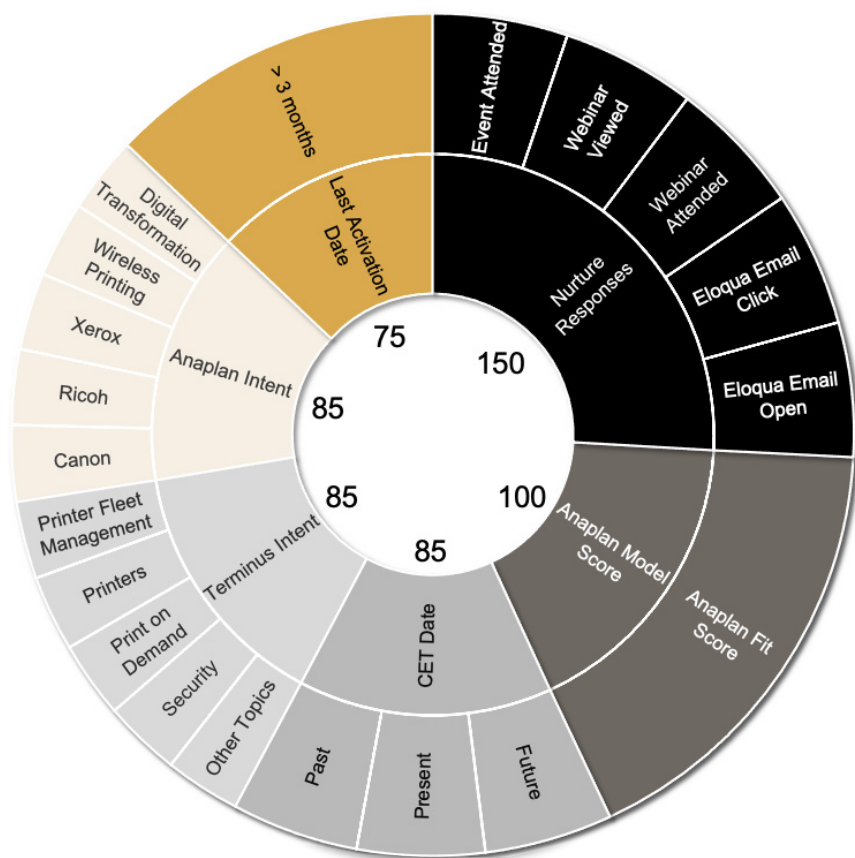
Implementation

The Engine

Lexmark's breakthrough idea was (and is being) powered by a digital Growth Engine. From brand activation to demand nurtures, the Growth Engine connects data to insights to action to results. It also supports a tectonic shift in responsibility from sales to marketing, paving the way for an enirely new level of partnership between the organizations.

Marketing has assumed much of the engagement and relationship responsibility from sales for the top and mid funnel via a newly formed team of 40 Revenue Development Managers. The RDR team is guided by an always-evolving account scoring model that sits within the Growth Engine and factors in a multiplicity of data sources. Now, marketing fully qualifies and develops prospects, providing warm handoffs to sales – so sales in turn can focus 100% on closing opportunities.

Through the Engine and marketing-led GTM, the net new revenue pipeline increased dramatically while the cost of sales decreased markedly.

Account Scoring Model

Responsibility Shift: From Sales to Marketing

Previous

Sales Responsibility

| Account Data Discovery | Contact & Buyer Group Assembly | Prospecting | Qualifying | Developing | Demonstrating | Proposing | Closing | Post-Sales/ Customer |

Current

Marketing Responsibility | Sales Responsibility

| Account Data Discovery | Contact & Buyer Group Assembly | Prospecting | Qualifying | Developing | Demonstrating | Proposing | Closing | Post-Sales/ Customer |

Implementation

The Brain

The Growth Engine leverages active and passive signals and also captures intent signals. It captures, learns, and integrates response to engagement. It enables action in the context of customer behavior to provide real value to segmented buying groups. It does all these things with a single end: to generate and continually improve results.

The Elevation

With massive and transformative success to date, Lexmark embarked on the next phase of its program – to further elevate creative effectiveness through the launch of its Intentionally Transformative brand campaign.

The campaign continues the brand narrative but takes it to yet another level based on the insight that successful companies don't embrace digital transformation for the sake of digital transformation. They are intentional about transformation strategies and tactics – and need to be equally aware of and intentional about print transformation strategies, tactics, and opportunities in the context of their overall DX strategy.
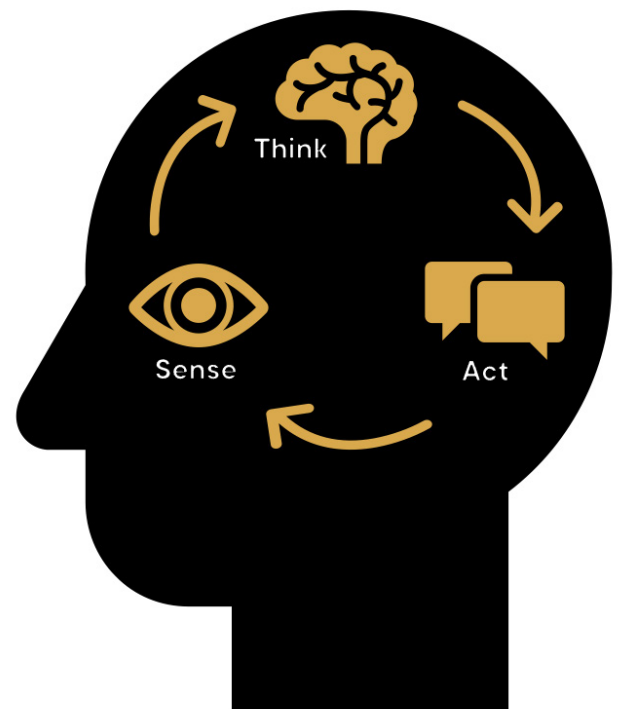
'Intentionally Transformative' Brand Campaign
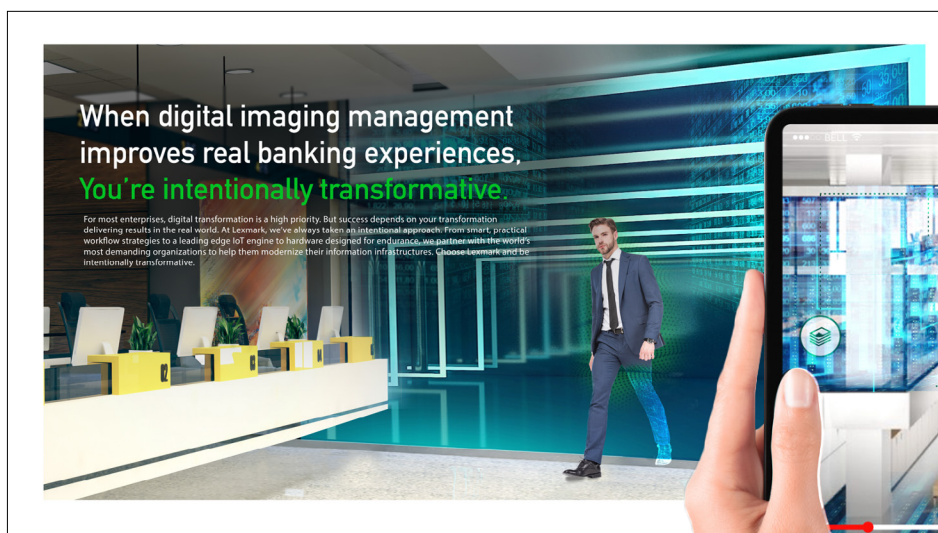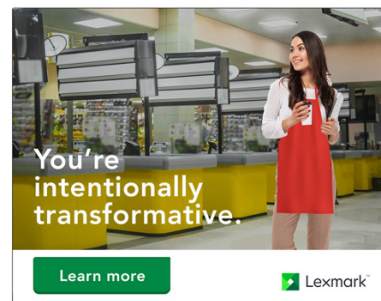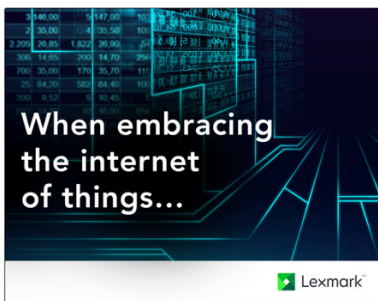
Immersive Transformation Tours

Performance

The headline for Lexmark's enterprise marketing performance in the nine months from launch to the end of 2021 is simply this: **$1.5 billion in net new opportunity created.**

Underlying metrics provide evidence of engagement and velocity:

- 6.2MM media impressions (display, paid social, PPC, content syndication)

- 1.3MM nurture impressions

- 112,000 contacts reached

- 1,819 assets created

- 9 languages, 28 countries

- 184,000 total actions by Revenue Development Representatives (calls, emails, LinkedIn messages, customer appointments)

2022 continuation at greater scale based on proof of concept:

- Intentionally Transformative brand-level campaign

- Quarterly campaigns targeting core verticals

- Additional high-value assets

  - Transformation Assessment Tool

  - Global Print Transformation Index

  - 'Actual Reality' Summit

  - Transformation Tours

Performance specifics include:

10,000
new accounts engaged, totaling 112,000 contacts

1,100
BANT-qualified opportunities
Of note, these were not qualified leads, they were warm opportunities directly handed off to sales to close.

$365 million
in increased hardware sales opportunities
33 of these opportunities at $2 million-plus: evidence of successfully moving upstream in the enterprise space.

$1.5 billion
in total net new contract value

$15 million
reduction in sales costs

Lessons from the Ladder

Marketing at Lexmark has become a strategic asset. With a $1.5 billion pipeline to its credit, this is hard to dispute. Marketing also has set a foundation for the future. This is the highest rung on the B2B Effectiveness Ladder – where the most commercial impact occurs. A key learning for Lexmark is that aspiring to the Ladder's top rung has the effect of delivering greater impact at all the rungs of the Ladder.

The B²B Institute ✕ LIONS AN ASCENTIAL COMPANY ✕ WARC AN ASCENTIAL COMPANY

STRATEGIC ASSET
$1.5 billion in commercial impact and climbing every day. Foundation set for core and adjacent market expansion.

BRAND BUILDER
Lexmark is now the PX (print transformation) brand without which DX (digital transformation) cannot fully succeed.

FAME MAKER
7.5 million activation and nurture impressions across multiple channels have made Lexmark far more famous, with the mental availability needed to drive current and future revenue.

SALE CLOSER
Demand converted to sales at a significantly greater clip and with far greater efficiency.

LEAD GENERATOR
1,100 BANT-qualified opportunities generated in nine months.

RESPONSE TRIGGER
250% increase in engagement via activation and nurture campaigns.

IMPACT

COMMERCIAL

Lessons Along the Way

Evolution is never easy but always necessary.

Acting bravely with the confidence that comes from data is key. Marketing took the figurative bull by the horns. The old model was broken. A new model was needed. Marketing did the hard work to make the case.

Taking risks is necessary. Marketing put its collective neck on the line. Proposing a total overhaul of a multi-billion-dollar business's model is not for the faint of heart. But without risk, rewards are minimal.

Success comes from relationships of mutual value. In Lexmark's case, sales may have been an immoveable impediment to success of this marketing-led initiative. Instead, sales and marketing became partners. Everyone is a winner as a result – especially the customer!

Continual improvement is the opportunity. There can be no "set and forget" mentality in today's fluid environment. Candor and transparency around performance, even when uncomfortable, is where improvement comes from. And it is how trust is built.