

THE POWER OF VERTICALS

YOUR GTM EGUIDE

Why vertical
go-to-market
strategies work
and how to
achieve vertical
GTM success.

ONEGTM

WHY ARE VERTICALS SO RELEVANT?

Vertical go-to-market (GTM) approaches are now an increasingly important element in many B2B strategies. For vendors, it can drive sales by increasing your relevance and profile, while customers can gain the tailored advice they need to leverage new technology in their particular market segment.

Verticalisation can mean anything from simple, industry-specific landing pages and adapted messaging to fully separated, go-to-market models for each vertical market. But whatever the degree of verticalisation you aim for, success rests on clear and comprehensive definitions, research, planning and resources.

| *What you'll find inside*

- 1.** Why the value of verticalisation is increasing
- 2.** What to consider when planning your vertical GTM approach
- 3.** Our guiding principles for achieving vertical GTM success

WHY VERTICALS DELIVER VALUE

Digital advances have created a landscape where all businesses have to be alive to the potential for innovative technology to transform the way they work and disrupt their market sector. As a result, they're looking to vendors to help them understand how solutions can be applied to address their specific business issues and create competitive advantage in their industry.

This is why a vertical approach has become an essential element in many B2B companies' go-to-market strategies. Those vendors who can best demonstrate an understanding of the trends, drivers and challenges impacting a particular sector are likely to be a standout choice for any customers looking at prospective suppliers.

Targeted vertical propositions and messages are a convincing way for you to highlight your relevance to an individual customer and demonstrate your ability to deliver value. Investors are also recognising the power of vertical strategies. According to a recent EY report¹, private equity firms are looking to acquire assets in vertical markets due to "investor acknowledgement that vertical software... presents a unique opportunity in terms of its value proposition to end-customers and its long term potential."

It's no surprise that many vendors already make major investments in vertical GTM, including Microsoft, Oracle, IBM, Cisco and SAP. When you get it right, the results can be very rewarding.



38%

*of mobile SaaS startups
with a vertical-oriented
value proposition had
annual contract values
(ACVs) of more than
\$100,000 per customer²*



4%

*mobile SaaS startups with
a horizontal focus reached
that level of revenue
per customer³*

1. EY Software M&A recap third quarter 2019 Canada and US market insights Dec 2019

2. McKinsey "Which commercial models make mobile-enterprise SaaS start-ups successful?" 2016

3. McKinsey "Which commercial models make mobile-enterprise SaaS start-ups successful?" 2016

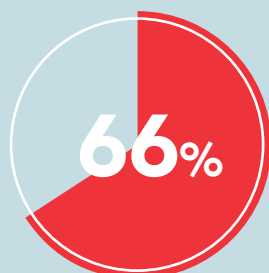
EVERYONE'S GOING VERTICAL

There are various key drivers prompting vendors to adopt a vertical approach. Here's our overview of what they are and what you stand to gain by including verticalisation as part of your GTM strategy.

BUYERS WANT CONTENT SPECIFIC TO THEM

More and more of the B2B buying journey is being conducted digitally. The average B2B buyer spends more than 68% of their buying journey consuming content prior to speaking with a salesperson.⁴ If you want to attract these prospective customers and build engagement, then you need relevant, insightful and helpful content that addresses specific concerns.

Product-led messages will leave most buyers cold, and generic content that lacks relevant, practical implications for a business is unlikely to engage anyone. Whether it's disruptive new business models, emerging regulation or changes in supply and distribution chains, you need to demonstrate that you understand the specific issues your target buyer faces. A vertical GTM strategy allows you to build a deeper understanding of the issues facing different sectors, enabling you to give buyers the answers they're looking for.

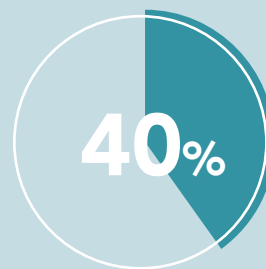


of B2B buyers said it was important that a solution provider's website spoke directly to the needs of their industry⁵

BUSINESS BUYERS ARE REPLACING IT EXPERTS

While technology itself has become more sophisticated and complex, its buyers are increasingly line of business (LoB) professionals rather than IT experts. And LoB buyers aren't particularly interested in understanding all the tech ins and outs. They're unlikely to get excited about new features. They're bigger picture rather than nitty gritty, more focused on the broader trends and drivers impacting their industry.

They don't want to have to navigate the complexity of modern technology, understand exactly how it works and how different systems fit together. What they do want to know is how technology can be applied to their industry and what it can do to improve their business. And they want you to clearly give them the answers, not expect them to work it out for themselves.



of IT spending in European companies now comes from LoB rather than IT. LoB spending is growing almost twice as fast as IT-funded spending⁶

4. Forrester (2019). Empower Your Channel Partners with a Service-Led Approach to Through-Channel Marketing Webinar

5. 2017 Content Preferences Survey Report, Demand Gen

6. IDC May 2019 <https://www.idc.com/getdoc.jsp?containerId=prEUR145101219>

The power of verticals

Why and how vertical go-to-market strategies work

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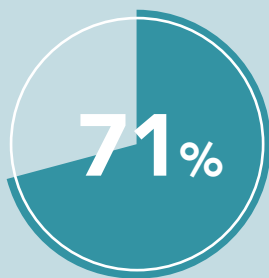
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VERTICAL GTM IN ACTION ⑤

GROWTH IN PERSONALISATION AND ABM

By targeting messaging and tactics at a specific industry level, rather than generically, vertical GTM not only reflects the trend towards greater B2B personalisation, but also provides a great foundation for building Account Based Marketing (ABM) programmes. ABM programmes now account for more than a quarter of total marketing budgets,⁷ and ABM principles are influencing the way B2B firms go to market overall.

Vertically-targeted messages provide a necessary first-step to building an efficient and scalable ABM programme. Rather than creating all messages at an account-specific level, well-defined vertical propositions make it far easier to create adapted messages, which are relevant to individual accounts. And by focusing on specific verticals, you can be more targeted and effective across a wide range of GTM tactics (such as targeting specific media, events and social forums), increasing ROI.



of companies that invest in ABM report that their ROI is significantly higher than traditional marketing programmes⁸

ADOPTION OF MARTECH

The growing adoption of increasingly sophisticated marketing automation technology (martech) means that you can deliver vertically-targeted campaigns with far less effort than would have been the case as recently as five years ago. Two thirds of B2B companies now use one or more marketing automation platforms.⁹

Martech has simplified many elements of the marketing process. You can segment audiences by industry and persona more precisely, adapt content and communications for those different audiences, and then track how audiences are interacting with that content. All of which is adding to the rising take-up of vertical GTM.



is the forecast martech growth rate per annum through to 2023¹⁰

STRENGTHENING CHANNEL ENGAGEMENT

B2B tech companies are also investing more in vertically-targeted marketing programmes because their channel partners are demanding it. Many channel partners are focusing on specific sectors in order to find a competitive niche where they can build differentiation. Amongst MSPs, 56% are specialising their services for a particular industry, with healthcare, finance and legal being the most popularly targeted verticals.¹¹

As through-channel marketing continues to grow in importance for vendors, many are investigating how they can strengthen GTM engagement with channel partners (see our eGuide [Driving Growth Through The Channel](#)). With most channel partners having limited resources to invest in original content, building vertically-targeted campaigns for partner use is a great way to strengthen engagement. Adopting a vertical GTM approach and building vertical propositions make it easier for you to ensure your channel partners are aligned with your marketing.

7. ITSMA and Demandbase (2018). 2018 ABM Benchmark Study

8. ITSMA and Demandbase (2019). Moving to ABM Maturity: 2019 ABM Benchmark Study

9. Sagefrog Marketing Group, 2020 B2B Marketing Mix Report, 13th Edition

10. Forrester "Marketing Automation Technology Forecast, 2017 to 2023 (Global)" (2018)

11. Datto 2019 state of the MSP report

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WHAT YOU GAIN BY GOING VERTICAL

NOW YOU KNOW WHY, WHAT ABOUT HOW?

The factors driving the rise in vertical GTM are clear, and for many, compelling. The sooner vendors verticalise, the sooner they can start to:

- earn customers' trust by demonstrating a clear understanding of their needs
- demonstrate commitment to a particular vertical by allocating resources to it
- improve brand recognition in key verticals with focused marketing activities
- leverage vertical-specific insights to find new applications for products or services
- differentiate from the competition by being positioned as a trusted expert in their customers' space
- reduce customer acquisition costs by focusing on a highly targeted customer base

The question for many is no longer whether to verticalise, but how vendors should do it to get the best results.

Planning your own vertical GTM approach? Read the next section to find out what you need to consider.



WHERE YOU WANT TO BE

HAVE YOU DECIDED WHAT DEGREE OF VERTICALISATION SUITS YOU?

You can implement a vertical strategy to different degrees. At one end of the spectrum is a fully verticalised approach that includes all unique content, different teams and separate GTM plans. The other end of the scale is a vertical 'top and tail' with minor adaptations to messaging and content, while most elements remain standard.

The 'top and tail' approach is more scalable and requires less investment but doesn't maximise impact. The fully verticalised approach takes more effort and investment, but is likely to have a significantly higher impact.

You need to evaluate the size of the opportunity, your available budget and resources, and the degree of similarity shared by the drivers across different sectors. It often makes sense to test the water with some basic adaptation of messaging, then increase investment as traction is gained.

GTM VERTICAL SPECTRUM



GTM VERTICAL SPECTRUM

	< FULLY STANDARDISED	TOP AND TAIL	TAILORED	IN-DEPTH	FULLY VERTICAL >
MESSAGING AND PROPOSITIONS	GENERIC CONTENT AND MESSAGING	ADAPTED HEADLINES, VERTICAL IMAGERY AND CALLS-TO-ACTION	SECTOR-SPECIFIC JARGON, PROOF POINTS AND CASE STUDIES	VERTICAL-SPECIFIC INSIGHTS, POINTS OF VIEW, PROPOSITIONS AND USE CASES	DEDICATED, NEW CONTENT FOR EACH VERTICAL
ORGANISATIONS AND RESOURCES	STANDARD RESOURCES	CENTRALISED TEAMS BUT SELECTED INDIVIDUALS WITH VERTICAL FOCUS	DEDICATED RESOURCES AND BUDGETS FOR KEY VERTICALS WITHIN CENTRALISED TEAMS	SEPARATE SALES AND MARKETING TEAMS FOR KEY VERTICALS	SEPARATE VERTICAL BUSINESS UNITS
GO-TO-MARKET APPROACH	STANDARD ACTIVITY	STANDARD TACTICS BUT SOME VERTICAL ASSETS E.G. LANDING PAGES	SINGLE PLAN WITH LIMITED INVESTMENT IN VERTICAL- SPECIFIC TACTICS E.G. SOCIAL AND PR	SIGNIFICANT VERTICAL SPECIFIC INVESTMENTS E.G. THOUGHT LEADERSHIP AND EVENTS	VERTICAL SPECIFIC GTM PLAN AND BUDGETS
PRODUCTS AND SERVICES	STANDARD PRODUCT PORTFOLIO	STANDARD PRODUCTS WITH ADAPTED MESSAGING	VERTICAL PRODUCT 'WRAPS' E.G. VERTICAL APPS AND ACCESSORIES	UNIQUE VERTICAL SOLUTIONS	VERTICAL PORTFOLIO AND DEVELOPMENT BUDGETS
< More scalable, more re-usable less relevance and less impact.		More expensive, less re-usable, more relevance and more impact. >			



HOW TO BE SUCCESSFUL

Over years of building successful vertical GTM programmes with B2B tech companies, we've learnt a lot about what works best. We've distilled our experience into eight guiding principles.

#1 BUILD CROSS-FUNCTIONAL ALIGNMENT EARLY

Without up-front alignment across all functions, it's likely that you'll have mismatches in expectation, increasing the chances of internal conflicts once you get into execution. Kick things off by putting together a cross-functional team, even if it's a fairly informal grouping at first. Ensure buy-in to your approach from all key stakeholders – marketing, sales, channel (and, if they're a key part of your proposition, service delivery and customer services). This includes agreeing some shared objectives and making it clear what support will be required from different functions. If sole accountability for verticalisation lies with marketing, it's likely to fail.

It's also important to be sure that everyone understands the trade-offs involved with the different levels of verticalisation, as well as the relationship between investment and results. Resources need to be appropriate for the size of your ambition.

#2 ESTABLISH A FRAMEWORK FOR EVERYONE TO WORK WITHIN

With numerous people likely to be involved in executing your vertical strategy, the potential for inconsistencies in approach and messaging is significant. To avoid this, establish a framework for everyone to work within and make sure it reflects your chosen strategy (i.e. how far along the verticalisation spectrum you want to be).

You need clarity and agreement around the core messages that underpin all vertical stories, as well as which elements of content, tools and tactics will be adapted and what will remain standard. The framework needs to establish the balance between maintaining consistency in your own core propositions and positioning, and allowing vertical approaches to flourish through sector-specific messages.

Building out vertical messaging will be easier and more efficient if you start from a strong foundation of core messages and proof points. Managing your GTM execution will also be more efficient if different verticals follow a similar template for campaign set-up, persona definitions and customer journey mapping.

#3 PHASE YOUR IMPLEMENTATION

Don't try to implement a fully verticalised GTM across lots of different verticals in one go, particularly when adopting a vertical approach for the first time. You could end up overwhelming the organisation, creating confusion and discontent.

As you start to tailor your marketing to verticals, you'll inevitably gain lots of learnings about what works and where the gaps are in your own knowledge and resources. We recommend that you prioritise one or two key verticals as proof of concept. Start with those that are most likely to yield a positive return, and where you have established case studies to support your credibility. Use these to learn and adapt before you roll out more widely.

If you're unsure where to start, one idea is to create some vertically-targeted landing pages with otherwise generic content assets. Seeing where you get the most traction will help you prioritise your vertical roll-out.

#4 TAKE TIME TO DEVELOP GOOD INSIGHT

Without a good understanding of each vertical's context, drivers and challenges, it's impossible to develop messages that will resonate with your target audiences. If you don't have a solid grasp of what you're talking about, you're not going to appear credible and insightful when discussing sector-specific issues (see our eGuide [Insight Led](#)). The degree of insight you need depends on the level of verticalisation you're aiming for – the more verticalisation you want, the deeper the insight you need.

Leverage all available resources – not just analysts and desk-research, but also internal subject matter experts, sales teams and channel partners who often have significant market and customer insight. You could even reach out to your existing customers. A key element is getting to know the different buyer personas in each vertical – understanding their motivations (see our eGuide [Power of Personas](#)). Also, look at what verticals your competitors are addressing, the messaging they're using and the depth of their vertical adaptation. Are there any gaps you can fill or ways that you can improve what they've done?

#5 DEVELOP COMPELLING STORIES AND POINTS OF VIEW

Base your stories on a strong point of view. To create interesting and distinctive content and propositions, you need to have an opinion about what's happening in the sector and why your proposition is relevant – and back it up with proof points.

Make sure that your audience knows you're talking to them – you want them to feel that you're a part of their world. Be relevant, resonate and use their language, terms and buzz-words (without jargon overkill). Include sector-specific use cases that bring your proposition to life and clearly show how your product or service can apply in real-world scenarios. Where possible, make your stories credible by providing proof with case studies that are relevant to each vertical.

#6 ENABLE YOUR SALES AND CHANNEL TEAMS

It's vital to fully brief your sales and channel teams, and equip them with the messages and tools they need to convert leads into prospects. It's no good having a convincing digital story for a target vertical if, when your prospects speak to a sales person, they are given a generic story by someone who clearly has no understanding of sector-specific issues.

Develop easy-to-digest training materials and playbooks (explaining the relevant drivers and challenges in each vertical), along with sector-specific presentation materials and collateral. Arm sales with talking points based on sector-specific insights that they can use as conversation-starters. Ensure sales can articulate the particular use cases for your solutions within each target vertical, and have relevant case studies to demonstrate your credentials.

#7 ENGAGE YOUR AUDIENCES IN THE PLACES THEY CONGREGATE

One of the key strengths of taking a vertical approach is that you can be far more targeted with the media and communication channels you use to reach your audience.

As part of your sector research, identify the key influencers, social forums and media routes – both formal and informal – that your target audience typically pays attention to.

Find out where they go to look for advice, keep up to date with sector news, and exchange ideas and information with their peers. These are likely to include industry events, sector media, LinkedIn groups and other online forums. Develop relevant PR and social content that you can use to get noticed in these places. Join the debate and become part of their world.

#8 TEST, LEARN AND REFINE

When launching a new GTM approach, you need to be able to demonstrate and measure success in order to prove the concept and justify investment to roll out to more verticals.

Make sure you have appropriate KPIs and performance benchmarks in place up-front, so that you can compare performance across verticals as well as between vertical and horizontal. Finally, make sure you get feedback – both internally and with customers – and learn as you go, so that you can refine your approach, content and channels.

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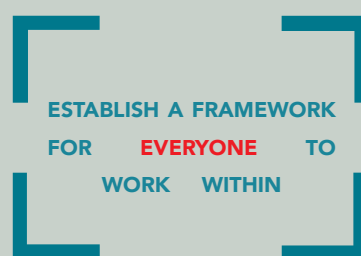
VERTICAL GTM IN ACTION ⑤

8 KEY PRINCIPLES AT A GLANCE

#1



#2



#3



#4



#5



#6



#7



#8





VERTICAL GTM IN ACTION

TAKING A VERTICAL APPROACH TO PLANNING GTM ACTIVITY:

centrica Business Solutions

Centrica Business Solutions – a new business within the Centrica group – needed to build a compelling market story to support their brand launch and ongoing go-to-market activity. With unique needs and energy demands from different business sectors, Centrica Business Solutions wanted to take a vertical approach when building out their go-to-market strategy.

OneGTM initially undertook detailed research to identify the key insights, customer challenges and pain points for seven target verticals. From this we developed a targeted story for each sector, including a clear Centrica Business Solutions' point of view. This was then rolled out through a series of vertical-specific campaigns, which featured high-quality, insight-led content assets and sales enablement tools.

The vertical approach has helped Centrica Business Solutions achieve rapid revenue growth and build a strong presence in their key verticals.

A SERIES OF READY-TO-USE VERTICAL CAMPAIGNS:

SAMSUNG

With a go-to-market strategy directed 100% through channel partners, Samsung wanted to increase both channel engagement and revenues. Having an abundance of vertical-specific content, Samsung decided to develop a series of standardised, content-led campaigns that partners could leverage across the Healthcare, Warehousing and Manufacturing, Transport and Retail sectors.

Alongside the existing vertical content, we then created ready-to-use sales and marketing assets for each campaign. These comprised sales playbooks, outbound calling guides, whitepapers, articles, an email series, webinars and social media toolkits.

By helping Samsung build stronger partner relationships, we opened up new markets for partners, and equipped them to capitalise without the need for any heavy lifting. Our campaigns also enabled Samsung to significantly increase their reach to end-user business customers.

OneGTM produced a framework for developing this series of joint Samsung-Partner vertical-specific campaigns.

THINKING ABOUT VERTICALS?

OneGTM specialises in designing and executing effective go-to-market programmes for technology vendors and service providers. We've worked with many market leaders including Samsung, Cisco, Vodafone, Centrica Business Solutions and HPE. Our services include market insight, vertical proposition and messaging development, building integrated, insight-led vertical campaigns, and developing vertical channel enablement assets.

| *Let's talk*
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The go to in go-to-market