

Insights: Edelman/LinkedIn 2020 B2B Thought Leadership Impact Study — Key Findings For Prospective Thought Leaders

EXECUTIVE SUMMARY

For the past three years, global public relations and marketing consultancy practice Edelman, in conjunction with LinkedIn, has produced a study investigating the impact of B2B thought leadership. The study asks both thought leadership “producers” and readers their feelings about the thought leadership they consume and aims to identify trends and patterns that may be instructive to those hoping to leverage the practice to forge stronger connections with prospective buyers and favorably influence their purchasing decisions.

This year’s study, of 1,164 US-based executives, **repeated previous years’ warnings that most thought leadership is simply not delivering enough value to those consuming it.** Just 17% of those consuming thought leadership regarded it as better than “very good” on average. This may be attributable, at least in part, to marketers adopting an **inappropriate and overly promotional tone** when authoring collateral that attempts to connect with C-suite readers and failing to understand that thought leadership — in essence — is often a peer-to-peer form of communication. Of particular concern to those in the writing chair, the percentage of decision-makers who said that they gained “valuable insights” from the thought leadership they consumed more than half the time diminished from 39% (2018) to 32% (2019).

Despite the fact that most thought leadership seems to be missing the target in terms of connecting with and impressing its targets, the study repeated some encouraging metrics which should serve to dispel any notions that thought leadership’s often lackluster reception in the C-suite may be due to a simple confirmation bias on the part of audiences. Almost **nine in ten (88%) of “decision-makers” (readers) affirmed that thought leadership *can* be effective in enhancing their perceptions of an organization** while 48% said that such authorship *can* be effective in influencing their purchasing decisions.

Potential gains extend to business wins too: Edelman’s Sales Impact Index (SII) represents the average of favorable buying outcomes that may arise from compelling thought leadership and includes factors such as inclusion in RFP opportunities (2019: 39%), the awarding of business, and up-selling and cross-selling. This year, its inputs averaged 48%.

Thought leadership, however, seems to be more effective at influencing soft metrics such as “perception” and “admiration” than realizing hard business opportunities. So it should come as no surprise that 77% of thought leaders are still struggling with PR’s traditional quantification problem and being able to prove positive ROI.

However, the study also contained a salient warning to those rushing poor quality thought leadership out the door. Even thought leadership judged to be merely “mediocre” does not have innocuous effect. **38% of decision-makers said that their “admiration” for an organization “sometimes decreased”** as a direct result of it; 25% said that poor thought leadership had caused them not to award business to an organization.

Far from being a picture of doom and gloom, this year’s Thought Leadership Impact Study provides a prescient warning to thought leaders and prospective ones to course-correct and focus on refining their “packaging” and tone to deliver more value in fewer words. Encouragingly, B2B decision-makers remain receptive to compelling thought leadership and the potential business gains which can be realized are both real and tangible.



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1: SAMPLE DEMOGRAPHICS

Who Did This Year's Sample Consist Of?

- The survey queried **1,164 US-based business executives** at B2B companies.
- The survey was conducted online, over LinkedIn, and took **10 to 15 minutes to complete**.

Respondent Pool

Seniority:

- 36% of the respondents held the title of 'Manager'
- 30% were 'Directors'
- 17% were VPs
- 17% were C[X]Os, partners or owners.

Organizations:

32% of respondents themselves worked at an organization that engages in producing thought leadership.

- 13% worked in the "high tech industry"
- 15% worked in finance.

INSIGHT ONE: QUALITY REMAINS A (PERSISTENT) PROBLEM



Sadly, this year's study confirmed that there is still a lot of bad and ineffective thought leadership being disseminated by B2B organizations.

- Only a dismal 17% of readers surveyed rated the quality of thought leadership they had consumed in the last year as “very good” or “excellent.”

That figure has to be understood against the backdrop of another statistic.

- 88% of decision-makers affirmed a belief that thought leadership *can* be an effective means of enhancing an organization's public reputation.

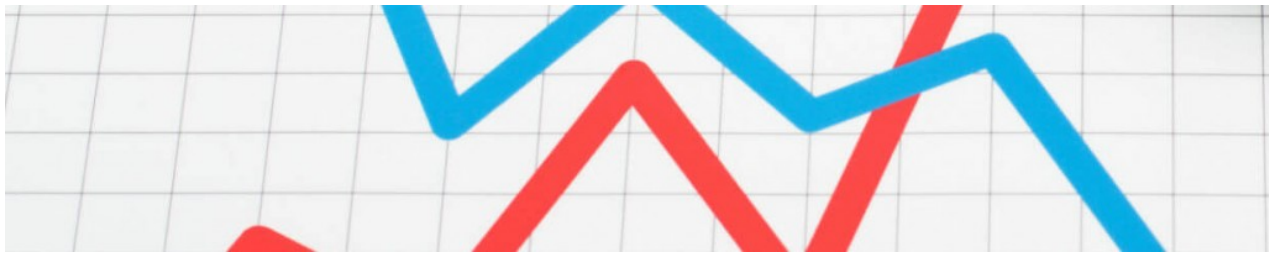
In other words:

- Those disappointed by the thought leadership they are reading are likely not doing so as a result of confirmation bias.
- Instead, their expectations and quality standards are simply not being met.

INSIGHTS FOR THOUGHT LEADERSHIP PRODUCERS:

- There's a potential reservoir of interested readers waiting for thought leaders to connect with.
- To get past this normative block, producers simply need to focus on delivering the caliber of information readers are looking for — and in the right packaging.

INSIGHT TWO: THE META-TRENDS REMAIN LARGELY FLAT.



focus on the signal from this year's report, it's important to determine what information represents noise.

Edelman provided a helpful summary of trends across key “dimensions” in the three years during which the survey has been running¹. It's reproduced in full below:

Dimension	What does it mean?	2018	This Year	Change Vs. Last Study
Engagement	Percentage of decision makers that spend more than one hour per week engaging with thought leadership	54%	53%	Decrease by 1%
Quality	Percentage of decision-makers who rated the quality of <i>most</i> thought leadership they read as “very good” or “excellent”	16%	17%	Increase by 1%
Brand Impact	Thought leadership's impact on influencing readers' <i>perceptions</i> of the authoring entity	88%	88%	No change
Sales Impact	Effectiveness of	50%	48%	Decrease by 2%

¹ Source: Edelman/LinkedIn 2020 B2B Thought Leadership Impact Study. Available online: <https://www.edelman.com/sites/g/files/aatuss191/files/2019-11/US%202020%20Edelman-LinkedIn%20Thought%20Leadership%20Study.pdf>

	thought leadership in influencing purchasing decisions as measured by business decisions awarded after reading a vendor’s thought leadership			
Attribution	Percentage of thought leaders who can tie thought leadership to a subsequent business in	26% (84% <i>cannot</i>)	23% (87% <i>cannot</i>)	Increase by 3%

Although the information is useful, it is important to look behind the figures and adopt a wide perspective.

Minor fluctuations aside — and particularly given the relatively small sample size — many of the trends, such as engagement, look rather flat. In fact, the mean percentage change year-to-year was just 1.75%.

Of the six trends tabulated, only “value” was presented as a moving index (trending downwards). (“Value” was defined as the percentage of decision-makers who say they gain valuable insights more than half the time they consume thought leadership).

Given that there was only one preceding data-point, in last year’s study, and 39% to 32% is not a cataclysmic drop, it might be hasty to read too much into this figure.

INSIGHTS FOR THOUGHT LEADERSHIP PRODUCERS:

- Overall, the significance of this report might be better understood in terms of corroborating the previous two studies’ findings — rather than shedding light on new dynamics.
- Readers are seeing slightly less value in thought leadership than they did previously as measured by the “value” metric (39% in 2018 vs. 32% in 2019).
- Other yardsticks by which thought leadership can be judged remained relatively flat in comparison to the two preceding studies.

INSIGHT THREE: GOOD THOUGHT LEADERSHIP CAN BUILD TRUST AND BOOST PERCEPTIONS



This year, Edelman found that 88% of decision-makers affirmed that thought leadership “can be effective in enhancing their *perceptions* of an organization.”

To measure that, the PR monolith devised a **Brand Perception Impact Index** (BPPI) which looked at the percentage of those surveyed who said that (as a result of their exposure to its thought leadership):

- Their respect for the organization increased
- Their perception of the organization increased
- Their trust in an organization increased

This year’s figure, which represented the average of the three inputs, was 88% (compared to the same figure in 2018 and 86% in 2017).

INSIGHTS FOR THOUGHT LEADERSHIP PRODUCERS:

- A large majority of thought leadership readers, almost nine in ten, are receptive to thought leadership as a means of improving perception.
- Increased perception can increase trust — which in turn can encourage purchasing committees to award tangible business wins to vendors.

However:

- At present there remains a large lacuna between the type of thought leadership companies want to read and the type that is being sent to them.
 - The findings demonstrate that filling this gap by producing more timely, succinct and value-laden thought leadership is likely to yield substantial ROI for thought leadership producers.
- This and previous analyses by Edelman/LinkedIn affirm the existence of an under-served B2B readership that want to receive better information.

INSIGHT FOUR: GOOD THOUGHT LEADERSHIP CAN LEVERAGE TANGIBLE BUSINESS GAINS

48% of decision makers agreed that thought leadership can be effective in influencing their purchasing decisions.

Edelman created another index to compute this statistic which they called the Sales Impact Index (SII). This has four inputs compared to the Brand Perception Impact Index's four.

It assessed whether, as a result of exposure to an organization's thought leadership:

- **Consideration:** They were invited to participate in a RFP opportunity.
- **Purchase:** They were awarded business
- **Upsell:** They won more business from existing clients ("upselling")
- **Cross-sell:** Their customers' bought new products/services from them ("cross-selling")

PERCEPTION VS. BUSINESS GAINS: SII. VS. BPII

Index	Sales Perception Index	Brand Impact Perception Index
This year's figure	48%	88%
Change vs. last yaer	↓ 2%	No change
Constituent inputs / outcomes for authoring organization	<ul style="list-style-type: none">• RFP opportunity inclusion• Awarded business• Successful upselling• Successful cross-selling	<ul style="list-style-type: none">• Increased respect• Increased perception• Increased trust

INSIGHTS FOR THOUGHT LEADERSHIP PRODUCERS:

- Almost half the time (48%), effective thought leadership can lead to positive outcomes in B2B sales processes.
- These include:
 - Inclusion in RFP opportunities (2019: 39%);
 - The awarding of business (2019: 49%);
 - Selling more to the recipient business (2019: 52%);
 - Selling new products/services to the recipient business (2019: 51%).
- Thought leadership is more effective in winning new business than any other sales impact.
- However, thought leadership is more effective at influencing perceptions than winning business gains. This year's cumulative Brand Impact Perception Index stood at 88%; the Sales Impact Index average input was 44%.

INSIGHT FIVE: THOUGHT LEADERSHIP IS A SHARP AND DOUBLE-EDGED SWORD

Thought leadership should be understood as a peer-to-peer marketing activity. For instance, a CISO authoring a contributed writing byline for a prominent trade media publication about a cybersecurity issue should write for a peer.

Perhaps as a result of misaligned expectations, or marketers thinking that their primary remit is to promote rather than to inform and add value, just 32% of decision makers say that they gain valuable insights from more than half the thought leadership they read. This number is almost certainly inextricably linked to the meager 17% of thought leadership readers who rate thought leadership highly.

Those reading it think that thought leadership is poor because —like trying to find out the state of international affairs by reading The Onion — it is neither fulfilling its purpose nor delivering value. Thought leaders, it would seem, need to remain mindful of their audience. At this peer to peer level of marketing, thought leadership needs to cut straight to the (business) case. The problem is that it often doesn't.

This information is particularly prescient in light of the finding that bad thought leadership doesn't just waste paper or light up pixels for no reason. Far from being innocuous, this year's study found that thought leadership perceived to be either "mediocre" or "poor" actually damages brands and turns prospective customers away from making purchasing decisions:

- 38% of decision makers said that, after reading an organization's thought leadership, their respect and admiration for that company had decreased.
- 25% of decision makers had said that poor quality thought leadership sometimes led them to not award business to an organization.

INSIGHTS FOR THOUGHT LEADERSHIP PRODUCERS:

- Understanding that thought leadership can cut both ways, the binary, from a business's standpoint, should be straightforward: the decision should be to put out good thought leadership — or not put it out at all.
- Thought leadership is often a peer to peer marketing activity. Producers therefore need to package their insights succinctly and target messaging for a C-level readership.
- (Poor) thought leadership can damage perception and business outcomes just as it can increase them. Although the negative potential effect is not as pronounced as the potential upside.

OTHER INSIGHTS:

THOUGHT LEADERS PRODUCERS CANNOT QUANTIFY THE VALUE THEY ARE DELIVERING

77% of thought leadership producers said that they have “no way” of linking their thought leadership to sales or wins. This was true of both “sales” leads and bottom of funnel successes.

THOUGHT LEADERSHIP IS DISTRIBUTED AND CONSUMED THROUGH VARIOUS CHANNELS:

The study also looked at how do thought leaders reach their audience.

- 47% of the time decision makers simply chance upon it;
- In 32% of cases it is recommended by somebody else;
- 19% of the time the thought leadership arrived after being “amplified” through paid or earned channels.

Word of mouth is clearly important, but almost half of consumers are still reading thought leadership as the result of happenstance.

THOUGHT LEADERSHIP NEEDS THE RIGHT ECOSYSTEM IN ORDER TO THRIVE

An important insight contained in the study was the value that a commitment to a culture of thought leadership brings to an organization. The surveyors found a direct correlation between the number of years an organization had been engaging in putting out thought leadership and how they perceived it.

For those that had been engaging in the activity for more than 21 years, a majority of the company thought the thought leadership to be of “very good” or excellent quality. Tellingly, among companies that had been engaging in thought leadership for shorter time-frames, thought leadership cheerleaders were consistently in the minority.

INSIGHTS FOR THOUGHT LEADERSHIP PRODUCERS:

- Thought leadership is distributed through various channels. Amplification helps, but the vital thing, for those producing it, would seem to be to focus on getting it out the door — once it’s ready and delivers value, that is.
- Thought leadership producers need to work on their **quantification problem**.
- Longevity is beneficial: companies with a history of engaging in thought leadership regard themselves as being more effective at it, although this was an internal measure.

THE KEY TAKEAWAYS FROM THIS YEAR'S STUDY



For those producing thought leadership, this year's study contained the following key messages:

- **The quality of thought leadership remains an ongoing problem** with just 17% of readers rating it as above “very good.”
- **Readers once more affirmed that they are not finding enough value** in the materials presented to them. However, the overwhelming majority of them remain receptive to thought leadership — if it is executed well.
- **Producers need to ensure they are framing messages contained in thought leadership for a senior, executive level readership** and present them accordingly.
- Thought leadership can positively **influence perceptions** and **influence business decisions**. However, it is **unsurprisingly more effective at influencing the former**, softer set of measures (Brand Perception Impact Index 88%; Sales Impact Index 44%).
- **If thought leadership is even “mediocre” it can have a damaging effect**. Although the potential pitfalls of bad thought leadership are blunted compared to their prospective upsides.
- Thought leadership **reaches audiences through multiple means**.
- Those producing thought leadership are **finding it consistently difficult to demonstrate ROI**. This is perhaps unsurprisingly in light of the above.