

# B2B Marketing:

## Account Based Marketing (ABM) Demystified

If you are a B2B marketer, you must have already heard about Account Based Marketing or ABM. According to SiriusDecisions, 92% of B2B organizations recognize the value of ABM, but only 20% have so far adopted it. While there is a lot of buzz around this acronym, the interpretation of ABM is usually biased towards the specific(s) a vendor is offering. However, ABM is not a specific product or solution, it is a strategic methodology or approach for B2B marketing that delivers better sales and marketing alignment in certain types of organizations. If your firm is a B2B organization, selling high worth products and services to large (enterprise and mid-market) companies, then your firm will benefit from ABM.

### ABM includes

- Strategically coordinating and aligning the marketing and sales efforts to accelerate revenue success and improve sales productivity
- Focusing your marketing to reach out to accounts that can benefit from your solution instead of having them find you, and from those accounts identifying and engaging with those who demonstrate active buyer signals, resulting in deeper marketing penetration into the funnel
- Creating marketing strategies and content that will speak to these target accounts in their own language and in terms of their pain-points
- Identifying influencers, decision makers, and buyers of your solution in these accounts and building specific campaigns to

engage them

- Personalizing your marketing communication for the account profile in addition to individual profiles

### B2B Sales and Marketing Divide

Traditionally, sales and marketing in B2B have functioned in two separate worlds. While sales does all its selling into an account, marketing has been marketing to leads, many times focusing more on personal attributes and behavior than the account attributes and aggregated behavior. Marketing often misses the point that the lead is only one person in an account even though long B2B opportunity cycles include many contacts in the account – influencers, evaluators, decision makers, buyers, etc. In addition, account attributes such as size, industry, type and age of installed infrastructure, competitive product penetration, and location may significantly impact the success probability of a sales motion. B2B sales departments have traditionally sold to pre-selected accounts by often managing lists such as target accounts, named accounts, and strategic accounts; and having account executives focus on them. However, the traditional marketing systems of last two decades have not been able to cross the bridge from lead-centric marketing to an account-focused approach.

During my 20+ years of experience with marketing automation and interacting deeply with marketing departments, countless times I have heard that sales wants marketing to stop communicating to accounts that are in active opportunity, because

### Knowing the Key Executive



Anurag Khemka, President & CEO

### RightWave's President & CEO

Anurag Khemka, a 20-year veteran from Silicon Valley, has been a pioneer in the Marketing Automation space. In 1996, he founded MarketFirst Software and developed the first enterprise Marketing Automation solution that integrated email and web response in execution of event triggered automated marketing campaigns. RightWave's exclusive Marketing Automation as a Service™ (MaaS) frees marketing managers to focus on strategy and content while RightWave's experts seamlessly manage campaigns, leads, data, reporting, and analytics. Customers of RightWave are primarily leading-edge business-to-business technology companies relying on RightWave's expertise in digital and account-based marketing.

A highly-regarded strategic CRM expert, Anurag often consults with venture capitalists and corporations and advises young entrepreneurs with strategy and product positioning. Anurag has a B.Tech. in Electrical Engineering from the Indian Institute of Technology, Delhi, and an MS in Computer Science from the University of Louisiana.

marketing does not understand B2B selling. This mentality primarily comes from marketing's inability to understand the big picture of the account, and how influencers, evaluators, and product champions work within an organization to help close the sales cycle.

As an example, traditionally marketing cannot appreciate the impact of five people coming from the same organization and downloading a whitepaper vs. one person from one organization downloading five times. Marketing will mark the lead in the second case as a hot lead, but will not highlight the first case, even though that behavior probably is a more important signal of buyer interest. However, as marketing automation systems and available tools become better, many technological advancements have made it easier for marketing to pursue an account-based strategy and decision-making. Now marketers can easily match an incoming lead to existing accounts (including target accounts); can do scoring at the aggregated account level; have the ability to identify an incoming anonymous lead by its company through IP-reverse lookup; have the ability to advertise to the 'market-of-one' by targeting their web ads to visitors from just a handful of companies; and scour the Internet to capture buying signals from specific accounts. In addition, marketers can now measure and track warm-up progression through the complete funnel to associate marketing actions with actual sales to drive business value metrics.

In order to adopt ABM, your marketing strategy should incorporate the following:

1. Understand the reasons and logic behind the target/named accounts provided by sales. Use predictive analysis of your current customers to validate the target accounts and refine them on a continuous basis.
2. Look for anonymous and known

buyer engagement signals in those accounts (or other accounts) to add/modify that list. This is done across all your marketing channels and includes in-bound, out-bound, social, as well as third-party content and community channels.

3. Develop personalized content for account-based profiles instead of or in addition to individual personas. Depending on your average sales price, it may even be as targeted as generating content specific to one large account.
4. Develop your marketing database (more contacts with the right persona in those accounts) specifically targeted towards ABM.
5. Match the inbound traffic to target accounts to create account-centric lead generation.
6. Modify your lead scoring to recognize aggregate account behavior in terms of reach, penetration, and engagement.
7. Target your broader marketing efforts to those specific account profiles.
8. Work closely with sales and analyze the business impact to refine and modify your execution plans. Better sales and marketing alignment is key to ABM.
9. Recognize that, with ABM, marketing's role doesn't end after delivering the lead to sales. It continues through the complete sales cycle and beyond.
10. Measure and track marketing success metrics that are closed-loop to the revenue cycle, and not just top of the funnel statistics. Top of the funnel statistics are good to understand short-term benefits, but closed-loop revenue driven metrics will determine your real success.

You may already be doing some of the above things, but an integrated approach and strategic evaluation of all your marketing initiatives to align with ABM will produce maximum benefit.

## What can you expect to achieve from ABM

### **For New Business:**

By analyzing the marketing influence on opportunity data amongst its customers, RightWave has repeatedly proven that the deals that are influenced by marketing through qualified marketing campaign engagements before the opportunity was created, close faster (up to 60% faster), have a larger deal size (up to 35% larger), and have a much higher win/loss ratio (up to 200% higher). In organizations where sales traditionally has worked with target/strategic accounts, ABM will bring the marketing alignment with sales that could translate this benefit to every opportunity resulting in as much as a 300% increase in sales productivity.

### **For Cross-sell Up-sell Business:**

By closely monitoring the need and buy signals in existing customers, marketing can deliver specific intelligence and insights to sales to drive them at the right place at the right time to improve the success rate dramatically. A better customer experience because of targeted and business relevant marketing communication will give sales a significant competitive advantage.

The concepts that encompass ABM are not new. They have been practiced for a long time in terms of specific initiatives by both sales and marketing departments under the guise of account development or business development. However, the growth of sophisticated marketing and sales automation systems and tools, along with the ease of capturing and managing large amounts of behavior data, have resulted in much better ability to achieve increased sales and marketing synergy. The focus on ABM is both a catalyst and the result of this growing synergy.