

HOW TO PROFIT FROM ACCOUNT-BASED MARKETING



5 Principles for Success;
5 Pitfalls to Avoid



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How to Profit from Account-Based Marketing

5 Principles for Success; 5 Pitfalls to Avoid

Every few years a “hot new thing” dominates the marketing conversation – hitting the industry with a tsunami of media and a surge of hype. Five years ago it was inbound marketing; after that, demand generation took center stage.

In both cases, an interesting trend accompanied the hype. As B2C and B2B companies alike adopted these tactics, more commentators predicted the two marketing disciplines would blur together in a single, consumer-centric approach.



Account-Based Marketing: B2B Gets Its Hot New Thing

Lately, though, the attention – and the buzz – has shifted to account-based marketing (ABM). One difference is that ABM is strictly a B2B play – a reminder that marketing to businesses remains a unique discipline with its own language, goals, and tactics.

In addition, ABM may be hot, but it's far from new. It's actually a long-established enterprise marketing tactic that, thanks to the growth of marketing automation and other technology innovations, is now accessible and relevant for a bigger, broader cohort of B2B marketers.

The evolution of ABM into the B2B mainstream is an important and timely event. "People have been doing demand generation for years and growing their businesses that way, but there are limitations to what inbound marketing can do," said Jon Miller, CEO and co-founder at Engagio. "You can't just continue to double your spend and double your output using the same approaches – sustainability becomes an issue."


"Account-based marketing gives you a practical and scalable path to continue your growth – and you probably already have what you need to get started," Miller added. "Most B2B marketers have a pretty mature grasp of the tactics required to do ABM."



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CEO, ENGAGIO

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The Facts Behind the Hype

There's another reason why more marketers are looking to ABM to take this next step: its proven track record. In fact, account-based business-to-business marketing is one of a rare breed: a hot trend that actually lives up to the hype.

Some key statistics tell this story¹:



97% of marketers that try ABM report higher ROI with ABM than with any other marketing tactic.



MID-MARKET ACCOUNTS



ENTERPRISE ACCOUNTS



Contract value for ABM-targeted accounts increases an average of **40%** for mid-market accounts and **35%** for enterprise.



ABM is linked to improvements in close rates approaching **300%**, according to one study.

The size of these gains may be surprising, but they've proven to be real and repeatable. They illustrate the results of an effective process – account-based marketing – systematically applied within a complicated environment.

The B2B market is innately complex, a place where buying decisions can take months and involve a dozen or more decision-makers, each of whom has unique needs, preferences, pain points, and biases. Why would you *not* employ an account-based approach designed to identify, engage, and convert these people using carefully coordinated and highly personalized touch points – rather than treating every lead as an island?

Understanding ABM: What You Need to Know in a Nutshell

ABM has been around for decades. It began as the province of enterprise companies, because it took a great deal of manual effort (and time, resources, and a big budget) to make it work. The basic process remains much the same, but technology has changed the labor equation, making ABM practical for any company that already uses marketing technology well.

Account-based marketing, at its most basic, makes an account (rather than an individual lead) the focus of marketing and sales efforts. ABM relies on data analysis to pinpoint the correct accounts to target; leverages research to find the correct cadre of contacts inside an account; and uses targeted, personalized, timed communications to engage those contacts.

When you drill down one level, ABM in practice can take many different forms and employ many different tactics.

The two most common:

1. **Proactive targeting.** This is the traditional type of ABM, which begins with understanding your existing customer base deeply. Use the insight you gather about your most successful, profitable, account-level customers to identify your ideal account-level customer prospects.

6 Steps To Kickstart Your First ABM Program

1. Develop specific, measurable business goals. Know who your best, most profitable customers are, and identify any strategic new markets.
2. Based on your business goals, choose the accounts to focus on; set up account-level intelligence on incoming leads.
3. Define your messages, and create content targeted to buyer and influencer personas.
4. Determine which channels to use to reach your targets.
5. Choose the correct metrics and apply them.
6. Observe your results. Is it working? Analyze and adjust.

Once you've identified the prospective accounts to focus on, your next step is to identify individual contacts inside those accounts. If you can detect their needs and interests, so much the better. Now you proactively reach out to engage these contacts on the channels they're most active on (such as social, mobile, display, and video).

Once a prospective account becomes a customer account, you continue to actively market to them to satisfy the high-return business goals of customer retention, referral, and advocacy.

- 2. Reactive targeting.** This is an easier entry strategy, and can be integrated with your existing demand generation efforts. As a lead discovers your value proposition and enters your funnel, you perceive that lead not as an island, but as a representative of a company. This may sound like just a small shift, but it has a great deal of impact.

You then evaluate how well that company's account profile fits the "ideal customer" profile, or whether it represents an opportunity you've identified, such as a promising vertical. You work to understand the lead on an account level, reach out to other stakeholders at the company, and build a deep relationship with stakeholders across the entire account – not just the first contact that fills in a form.



5 Principles to Keep Any ABM Program Focused, Practical, and Profitable

It's easy to find entire books devoted to the finer points of account-based marketing. When you clear the weeds and get down to basics, however, five key principles can give most B2B marketers what they need to launch an effective ABM initiative:

1. **Time and attention are your most valuable assets.**

Account-based marketing, whether proactive or reactive, is all about identifying your best account-focused opportunities and spending your attention and resources on those accounts. This is rigorous, disciplined, informed prioritization, and you (and your sales team) will have to say no as often as yes when an account doesn't fit the profile closely enough.

"If you don't care which accounts you reach, and only care about reaching enough accounts, then traditional demand gen works," Miller noted. **"Marketing and sales should align on which accounts get which approach to ABM – or whether they get ABM at all."**



2. **Sales, marketing, and customer success are equal partners.** All three teams must work hand-in-glove to define the characteristics that establish a key account, and value the actions and behavioral factors that can be scored. Marketing's branding messages are developed with input from sales and customer success. Each team must deploy those messages in concert to assure a consistent customer experience across each touch point.

"In ABM there is really no such thing as 'marketing-sourced' or 'sales-sourced' opportunities or revenue," Miller stated. "It's all 'team-sourced' – everybody works together, and ultimately everybody shares credit or accountability for the outcome."

3. **Use the tools and resources you already have to establish an account-based program.** Most B2B marketers can use ABM – and use it well – by taking advantage of their current knowledge, experience, and technology investments. That's because ABM is really about repurposing common B2B marketing fundamentals and technologies to achieve a different objective.

“Look at your existing resources: people, processes, and technology. What do you currently have in place which could be tailored to execute your ABM campaigns?” asked Sangram Vajre, CMO and co-founder of Terminus. “If you have a CRM, marketing automation platform, website, and social media, then you have the core pieces of a martech stack.”

- 4. Use marketing automation to personalize ABM and content strategy.** Personalization is the holy grail of ABM tactics; it reflects the laser-focused, carefully targeted approach that can earn the highest possible engagement and conversion rates from target-account decision-makers. Personalization, of course, is also hard – it’s the modern marketing equivalent of sending hand-written letters to a few dozen (or a few hundred) of your very best prospects. This is a key reason ABM was strictly an enterprise play for so long.

Fortunately, thanks to the evolution of powerful and cost-effective marketing automation solutions, the benefits of personalization are now available to far more B2B marketers. In addition, marketing automation makes it possible to fine-tune your personalization and targeting strategies to suit your resources and requirements (see next page).



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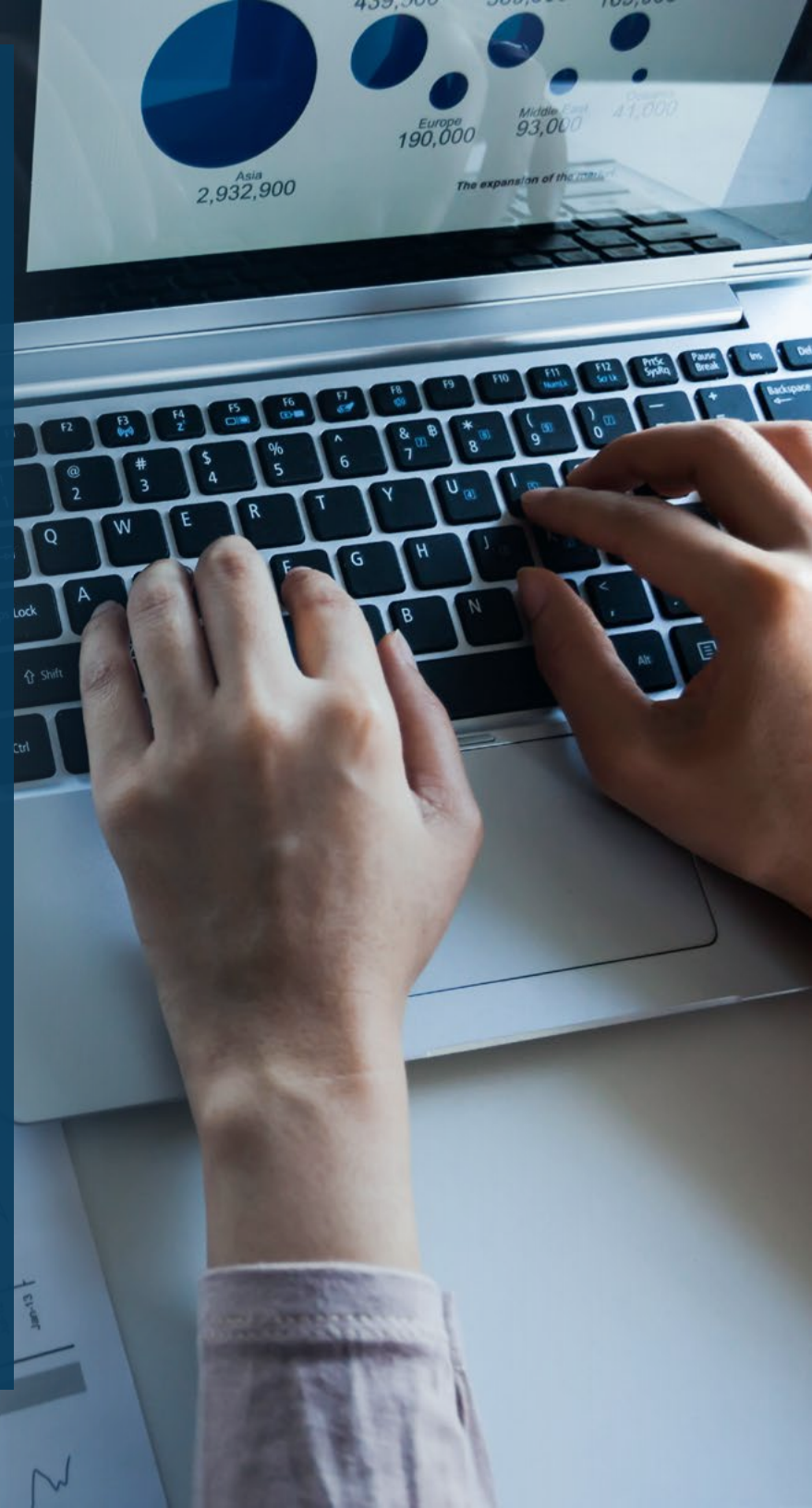
Marketing Automation & ABM: A Flexible Way to Scale and Succeed

- Capture the data that makes personalization possible.
- Apply that data to create content targeted to specific needs, interests, and buying stages.
- Deploy content outreach according to a planned, calibrated schedule.

Along with capturing data and putting it to work, automation lets you create a process and then set it to repeat at scale, without additional labor. If you take the time to build in conditional logic, the messaging process can even customize itself in response to a contact's engagement patterns, allowing an even more personalized approach that can be extremely effective.

Keep in mind, however, that *you don't need to build a complex process to succeed with account-based marketing*. In fact, one recent study showed that simply replacing generic marketing messages with versions optimized for a target's industry vertical doubled conversion rates.³ Furthermore, it's possible to get good results by mixing targeted offers with broader, but still relevant, content offers; or to mix customized elements, such as calls to action, into those broad-appeal assets.

Finally, *remember that marketing automation lets you start small and get results*. A content strategy based on some personalization some of the time is not going to deliver every ABM benefit possible, but it's a fine place to get started. You'll get tangible improvements and earn faster ROI on your ABM investments (and from any content marketing investments, for that matter!).



5. **Go for a quick, early win to get traction within (and budget from) the C-suite.** ABM was initially created to expand business with existing customers – not to land new ones. This is where ABM really shines, and you could begin with a program here to prove the concept of ABM.

Focusing first on existing customers gives you a good shot at relatively quick and easy gains. Those gains, in turn, can build the support, the patience, and the funding required for sustained, longer-term ABM programs, and for a targeted technology investment agenda.

This approach aligns with the reality that keeping and expanding an existing customer relationship is cheaper than landing new business. It also ensures your customers benefit first from the extra care and attention that accompany an ABM campaign, which in turn:

- Strengthens loyalty and advocacy
- Increases referral business
- Burnishes your brand
- Generates wins in the form of upsell, cross-sell, and other types of account expansion that tend to happen more quickly than new deals
- Increases the lifetime value of an account

And not least – when your champion changes jobs, you still have supporters inside the company who believe in your product's value. You're much less likely to lose this account when the new boss shows up.

Whatever strategy you pick, get something on the scoreboard early. "Don't start ABM without a way to show it's working within three months," Miller advised. "Otherwise you run the risk that people will lose interest – and a more ambitious strategy isn't much good if your program won't live long enough to execute it."



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Putting ABM to Work: Account Scoring Versus Lead Scoring

When you're putting more marketing eggs in fewer baskets, the ability to recognize intent reduces the risk of targeting the wrong account. An account-focused scoring model reveals intent by looking at all of the players in a buying decision and assessing their readiness to move ahead with a purchase.

Most B2B marketers already have robust lead scoring built into their existing marketing automation systems. You'll need to combine this intelligence with methods to tie each scored lead back to an account, and to uncover insights into the roles these individuals play. These are manageable tasks, especially if your goal is to execute a pilot ABM program and then refine your ABM tactics as you scale your efforts.

This "use what you've got" approach works for a variety of activities related to ABM programs: personalized outbound content marketing programs, email marketing, and lead nurturing; social media marketing, and website visitor tracking. Other activities geared toward lead-based marketing are still applicable to account-based methods.

This flexibility and willingness to work with the capabilities you already have, in turn, requires three things:

- 1 A thorough understanding of your target market, accounts, prospects, and ideal-buyer profiles to get the most from your existing tools.
- 2 A high degree of comfort and proficiency with the marketing tools you already have.
- 3 A respect for the saying, "Don't make the perfect the enemy of the good."

After all, while an "A" effort might require doing 90% of what you can, a "B" or even a "C" effort will still boost your profit. Just get started – you can always learn and improve along the way.

The Other Side of Success: How to Avoid Account-Based Marketing Pitfalls

When you start any new process or program, you're going to make small mistakes and learn along the way. Fortunately, when getting started with account-based marketing, it's relatively easy to spot and avoid the bigger mistakes that could set back your efforts. In fact, the following list of things not to do when launching an account-based program is a great insurance policy against these avoidable pitfalls.

1. **Don't use ABM exclusively to land new logos.**

Account-based marketing, whether proactive or new accounts, and especially those coveted marquee-logo "whales," may seem like the fastest path to big rewards. In reality, this approach bypasses a whole category of key accounts that are easier to convert and often more lucrative: your current customers.

"One of the biggest mistakes I see involves a focus only on net-new accounts rather than account expansion," Miller said. "And either way, **your ABM investments should be proportional to the potential value of the account.**"



2. **Don't assume ABM is inherently complex, expensive, and slow to yield tangible benefits.** There's history for this assumption. ABM, as it was practiced years ago, demanded big marketing teams, lots of time, and boatloads of money. It was a very manual process requiring a lot of hands. Today, however, given modern technology, this view of ABM is only true if you want it to be – a perfect example of a self-fulfilling prophecy. Start small with the technology you already have, and you'll probably see results fairly quickly. Then you can build on your success.
3. **Don't get "loud and proud" about your team's devotion to key accounts.** It's natural to celebrate – and hope to emulate – marketing programs that result in big, showy wins. But don't shout too loudly. Your other customers may hear a different message: *If you're not a whale, you don't matter to us.* Make sure all your customers feel the love.



More than anything else, ABM
is about teamwork.

— CARI BALDWIN
PRESIDENT,
BLUEBIRD STRATEGIES

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1. **Don't give sales the key to the ABM machine – and find yourself in the back seat.** This is ABM success principle #2 turned inside out. ABM is totally dependent on creating alignment among sales, customer service, and marketing teams, and that takes an equal and concerted effort by all departments. In a SiriusDecisions study of B2B sales, of all buyer interactions at all stages of buying, 51% were marketing-led and 49% sales-led.

All of this boils down to some simple principles: Making sure the responsibility, accountability, and credit are shared among all three teams. "More than anything else, ABM is about teamwork," said Cari Baldwin, President of Bluebird Strategies. "There's no other way to get the insights required for account-based marketing, or to engage in the coordinated conversations, messages, and touch points."

2. **Don't assume silver-bullet technology solutions will make your ABM programs effective.** Many marketing technology solutions are innovative, efficient, and highly effective problem-solving tools. Many others turn out to be dead weight bolted onto increasingly unwieldy marketing tech stacks. A useful way to assess a solution is to remember that, in essence, technology amplifies any existing process. If your process is good, the right technology will make it better. If your process is bad — technology will not save it.



Measuring for Success: Working with ABM Metrics

Account-based marketing demands a different approach to measurement. "It's about the quality and depth of the relationship, not about counting things like leads and attendees," Miller explained. "These are often harder things to measure, and they're less-familiar metrics, but falling back on the usual KPIs isn't an option."

According to Miller, account-based metrics fall into five main categories:

- **Coverage**
- **Awareness**
- **Engagement**
- **Reach**
- **Impact**

Within each of these categories, of course, you'll find a number of specific measurement options. While these may be less familiar, some fundamental principles still apply: start small, look for metrics that align with your current analytics capabilities, and then build out your measurement as you gain experience and expand your capabilities.



Conclusion

In the final analysis, B2B companies market to, sell to, and service, accounts – not leads. That’s why account-based marketing works. With the right strategy and the right technology to carry it out, ABM will support you in all aspects as you balance your strategy among brand awareness, demand generation, and customer retention and expansion.

Sources

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About Act-On Software

Act-On Software is a marketing automation company delivering innovation that empowers marketers to do the best work of their careers. Act-On is the only integrated workspace to address the needs of the customer experience, from brand awareness and demand generation, to retention and loyalty. With Act-On, marketers can drive better business outcomes and see higher customer lifetime value. The Act-On platform provides marketers with power they can actually use, without the need for a dedicated IT resource.

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