

HIGH PERFORMANCE ABM

The Definitive Guide to Account-Based Marketing

A Demand Metric Best Practices Report
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IN PARTNERSHIP WITH THE
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Table of Contents

- 3 Executive Summary
- 4 So, what is ABM?
- 6 Why Does ABM Make Sense Today?
- 8 Tried and true is no longer true
- 9 ABM is not a “Check Box”
- 11 Prescription for high-performance ABM
 - Developing a new ABM Program
 - Transitioning from Low Maturity
 - Transitioning from Mid Maturity
 - Maximizing a High Maturity Program
- 18 About the ABM Consortium
- 19 About Demand Metric
- 20 About the Author: Mark Ogne
- 21 Additional Reading

EXECUTIVE SUMMARY

While it is well resolved that Account-Based Marketing is a desired approach for today's B2B marketer what is less resolved is a grounded understanding as to exactly what the practice is and how to do it in a way that will maximize results. More than a catchy phrase, a new top ten list, or a check box to indicate a task complete, Account-Based Marketing is rooted in a solid foundation of marketing strategy.

82% of ABM programs fail to achieve measurable success. Why is that? How do these deployments differ from the ones that win?

Derived through proprietary primary research, this report is focused on helping marketers around the world plan and deploy the highest performing ABM programs available. To help marketers better understand the case for and best practice in account based marketing. To be armed with the knowledge to buck the trend of failure and tip the odds that they too will develop a high performance-ABM program.

SO, WHAT IS ABM?

To this point, confusion exists because most understand the practice of Account-Based Marketing based upon fragmented vendor conversations focused on cool new point solutions or narrowly cast articles in the trade press. Is it an ad technology, a personalization technology, a new need for data, or a framework for optimizing marketing spend? Yes, all the above and more.

At its heart, ABM is simply a shift in B2B marketing strategy, from the focus of acquiring and nurturing individual leads to building relationships with specific businesses.

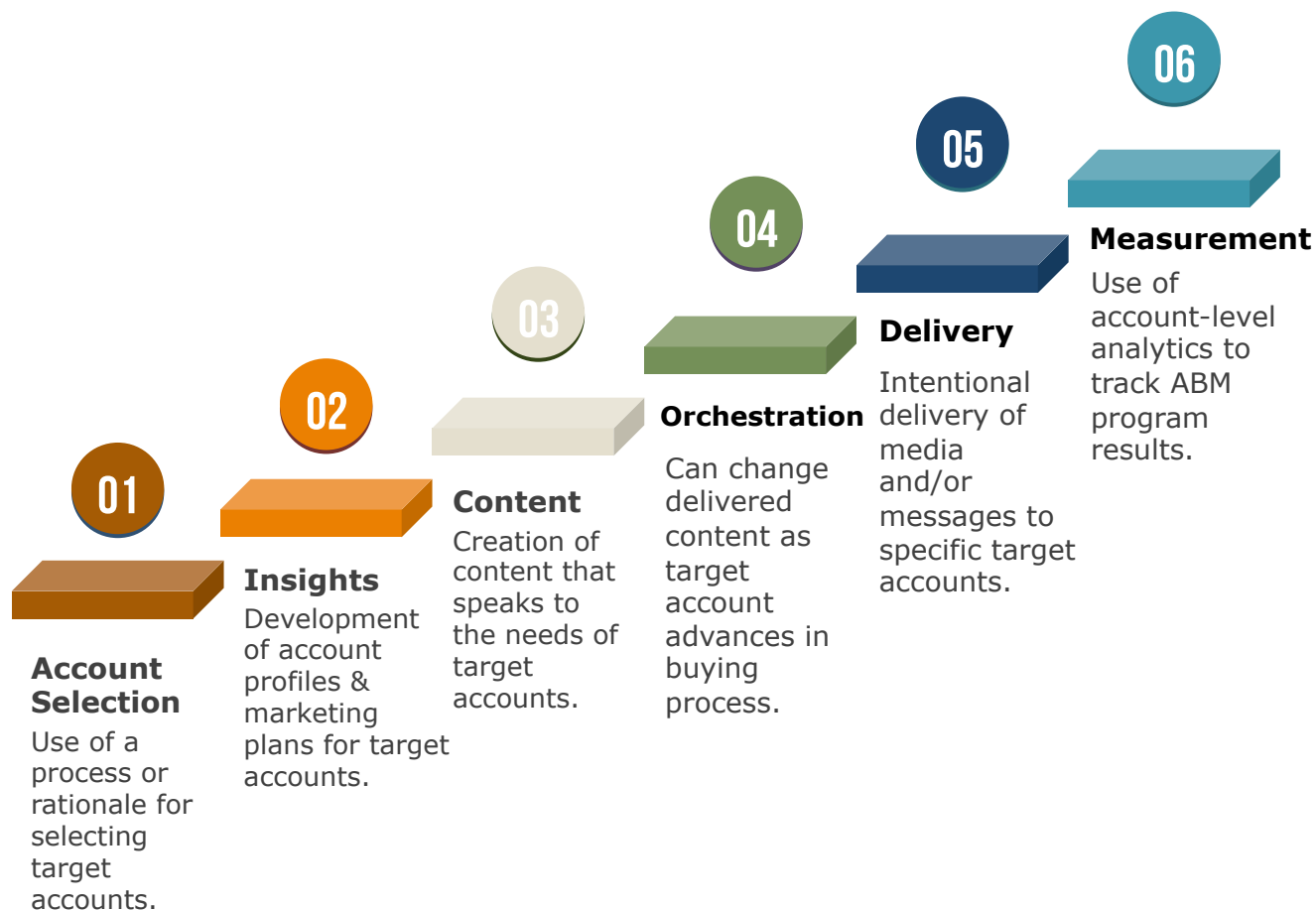


Figure 1: The six components of the ABM Capabilities Framework.

SO, WHAT IS ABM?

Based upon the maturity or sophistication of a marketing organization, this shift can be as simple or difficult. For those with advanced segmentation and targeting capabilities, this shift can be as simple as a change in segmentation strategy – account targets supersede actions, responses, self-expressed interests and firmographics – and the use of new tools that can narrowcast media based upon that account dimension. On the other hand, those who measure lead gen success by volume will have a difficult transition as their entire approach will require a strategy redux.

The Account-Based Marketing Consortium has pooled their collective experience to craft this working definition of ABM:

"Account Based Marketing is a B2B marketing practice that organizes engagement strategies to focus on a defined list of prospective accounts. This represents a fundamental shift in strategy – a primary focus on building awareness, engagement and business relationships with select organizations, rather than the acquisition and nurturing of individual relationships (leads) or channel based delivery tactics."

Directly aligned with sales objectives and targets, Account Based Marketing is a two-party effort designed to narrowcast marketing initiatives to focus on precise companies with agreed upon objectives.

WHY DOES ABM MAKE SENSE TODAY?

Before we get into the discussion of how to build a high-performance ABM program, it is best that we first understand why the practice makes sense today. Over the last several years three key trends have developed.

Three key trends that make ABM the right idea today:

- 1. Existing marketing systems and CRM are not engineered to understand today's buying signals** – Many B2B marketing technologies cause marketers to view leads as independent agents acting to solve isolated problems. Contrasting this, buyers are increasingly acting as complex buying entities - shifting from individual decision to highly organized team evaluations. Recent CEB research identified that 5.4 people are involved in purchase decisions, on average.¹ One could assume that number would be larger for larger enterprises. Additionally, buyers believe the first third of the process is hardest, gaining consensus on early stage decisions involving solution type.

Consider this example: 10 individuals enter your website on the same day and register to download a range of content on the same topic. When marketing systems view this activity as independent agents acting on their own accord, each of these actions mean very little. Ultimately, the scoring of each lead will be trivial and none may rise to a point of interest, MQL status. However, when seen in their totality, at the account level, this can represent a very different picture. Consider that these 10 people are from the same company and are working together as a buying group.

Even though they source content independently, they share it and they work with each other to form conclusions and select solution options. In this reality, the four visits and downloads can represent a highly engaged buying decision.

WHY DOES ABM MAKE SENSE TODAY?

2. Buyer research is shifting away from vendors - In a marketing world focused on producing and widely distributing content to help serve buyer needs, increasingly buyers are seeking early stage content to form their point of view from sources outside of vendor websites. It's not that content is unimportant, it's just that vendor produced and hosted content doesn't have the same top of funnel impact any longer. In fact, The CMO Council identified last year that while 88% of B2B buyers value content in their vendor selection process yet only 9% of them trust the content produced by vendors. Third party validated research was identified as having the highest degree of trust.

In any case, the fact is that buyers are looking beyond vendors during early and influential phases of issue research and vendor selection. Because of this, existing marketing systems cannot even sense many of the buyer content engagement because it's occurring outside of their purview. Then, when registered engagement does occur, the ensuing automated nurturing threads face waning impact as buyers have increasingly solidified their point of view prior to these systems ever seeing or gaining registered information.

3. Buyer initiated sales contact is occurring later in the process - Once an early stage activity, request an array of product demos from the top vendors, today's buying groups or self-educating and forming deeply rooted beliefs regarding their desired solution path all on their own. CEB measured the current state for this outreach, 57% of the way through the buying process.² Personal sales efforts and relationships are pivotal to successfully close business. Having said that, the need for sales and marketing efforts to align has never been greater. From both sides.

These trends serve to distance B2B marketers from their audiences and reduce the ROI of many marketing technology investments. Facing these trends, marketers are seeing a flagging lead flow, causing many to seek new channels and platforms, a means to acquire more leads into their marketing systems. Focusing efforts on quantity of inputs (leads) more than quality of outcomes (sales, revenue).

TRIED AND TRUE IS NO LONGER TRUE

This is not an argument that inbound marketing, marketing automation and sales efforts are bad, in fact, quite the contrary. They're requirements regardless of these trends. However, the point to weigh heavily is that the market has changed and both sales and marketing professionals need to consider how to adapt. The key learning is that all need to look past the lead, be able to amalgamate activities within a company and across channels, online and offline.

As buyers move towards self-researched conclusions and the balance of marketing systems struggle to decipher or even detect these activities, marketers need a new set of capabilities to efficiently and effectively adjust their marketing efforts and influence key audiences. The objective is now full-funnel, from engagement strategies to influence early stage research to supporting activity during mid and late stage selection processes.

ABM IS NOT A “CHECK BOX”

The hype and hyperbole surrounding ABM is deafening: deploying an ABM program is not a line item on your “to do” list, it’s not about a new catchy phrase or a top 10 list, and it’s not just a new investment in MarTech.

The confusion mentioned at the onset of this paper is born of people viewing ABM as a single capability. This misses the point. Let’s unpack that. OK, you choose some accounts and start delivering display ads to them... Now, how will your marketing automation, SDRs (Sales Development Representatives) and website efforts support your account marketing plans? How will response metrics be folded back into your existing marketing stack so you can optimize future messages and progress of accounts as they engage (i.e. integrating data and response across CRM, SFA and MAP)? Without a well-thought-out deployment approach many will act in a narrow and modestly successful manner and never realize the full benefits of ABM.

Consortium members conceived the following ABM Capabilities Framework as a guide for practitioners to construct, deploy, measure and optimize ABM programs. Marketers need to consider 6 key capabilities (see Figure 1):

- 1. Account Selection** – Identify specific accounts you’re going to target and to do this via a process, not just random, manual selection or guesswork. Usually manual and reflective of existing sales assignment of accounts, this is a mission critical area that could greatly benefit from more robust solutions, like the growing list of B2B Predictive Analytics platforms.
- 2. Insights** – This is the planning and preparation stage: account profiles (decision makers, buying process, trends, needs identification, value props), account marketing plan (strategy, objectives, media, budgets), data preparation (aggregate, cleanse, append, roll up to account)
- 3. Content** – Content strategy and production drive the media and messages to be delivered in order to achieve each account marketing plan.

ABM IS NOT A “CHECK BOX”

- 4. Orchestration** – Define and configure the relationship between account marketing plan and content and channel delivery
- 5. Distribution** – Deliver impressions based upon orchestration parameters (email, phone, website, display, social, search).
- 6. Measurement** – Descriptive analytics based upon account level activity (rather than channel, campaign or platform), designed to identify and optimize results of investments and optimize the relationship between the account marketing plan, content and orchestration.

The reality is that most of the dialog surrounding ABM exists in only a few of these areas... usually around distribution, and most often only about display ads. This is precisely aligned with the earlier point regarding confusion and the narrow and fragmented nature of how the market discusses ABM.

PRESCRIPTION FOR HIGH-PERFORMANCE ABM

The reality is that 82% of ABM programs fail to achieve the true promise of this new strategy. These programs consistently fail to view ABM from the perspective of an engagement strategy, rather than seeing it as a tactical execution or new platform. The Account Based Marketing Consortium recently partnered with Demand Metric to field new primary research that identified these data points during their effort to quantify the path to high-performance ABM. To identify and detail how 18% of ABM programs can breakout and flourish. To help others replicate this success and grow the market for Account Based Marketing.

The hypothesis this study set out to test – that compliance with the ABM Capabilities Framework leads to great revenue impact – has been proven true. The data from the study makes it very clear that the more closely an ABM user complies with the framework, the greater the revenue impact that ABM will have.

The following swim lane diagram outlines the actual maturity difference between Low, Mid and High maturity ABM programs. These maturity strata are derived through research involving actual, active ABM programs. This is not guidance based upon conjecture or hopeful thoughts.

PRESCRIPTION FOR HIGH-PERFORMANCE ABM

	Low Maturity	Mid Maturity	High Maturity
Persona	Marketers operating in a silo, executing without an ABM strategy or alignment with sales counterparts.	Finding some successes but not yet firing on all cylinders.	Marketers collaborate with sales counterparts, seek and measure engagement, focused on strategy to delivery revenue outcomes.
Account Selection	Guess at company selection, without assistance of sales team. Almost exclusively focused on prospecting.	With or without sales counterparts, they select accounts that look like current sales coverage. Also very focused on prospecting.	Strong collaborators who use data and technology to drive account selection. Focused on cross/up sell audience.
Insights	Quick and dirty – one account profile is used across all selected accounts. No sales interaction.	Quick and dirty – one account profile is used across all selected accounts. No sales interaction.	Collaboration across sales and marketing, data driven account plans.
Content	Use one version of previously built creative for all target accounts.	Creates new content to support the ABM program but use the same creative for all target accounts regardless of objective or situation.	Create a range of new content to support the ABM program, versions designed to serve the specific needs of account objectives. A large portion go so far as to create a library of content to serve target account needs as they evolve during engagement.
Orchestration	The same content is served to all target accounts regardless of objective or situation.	The same content is served to all target accounts regardless of objective or situation.	Able to change content based upon account level engagement, triggered changes across all channels and platforms.
Delivery	Focused on retargeted display ads.	Focused on display ads (proactive and retargeted).	Focused on multi-channel engagement. Emphasis on coordinating email and other channels.
Measurement	Do not track metrics for their ABM program.	Can only track the media channels their ABM program uses.	Can track and analyze metrics at the account level across all platform and channel activity. A large portion can even contrast those results against all other marketing investments.
	Low Performance	Mid Performance	High Performance

Table 1 – ABM Capabilities Framework with Maturity scale found in primary research

While common for almost any new endeavor to begin in a less mature state, it is always critical to keep focus on the end objective. In this case, to focus on evaluating each capability (row) and then targeting a high level of maturity (right column). Determine where you are relative to these criteria and then follow the recommendations below to plot your course to high-performance ABM.

DEVELOPING A NEW ABM PROGRAM

Key Advice – go narrow but deep, don’t boil the ocean.

When starting a new program, identify and focus on one core audience. Drive to excellence on this narrow objective. Follow the Capabilities Framework and execute your program in a deep and meaningful manner, engaging them to your best ability.

Plan a series of meetings between sales and marketing leadership. These initial meetings will fall into three general buckets:

1. Account Selection – identify target accounts
2. Account Planning – identify account/marketing plans for selected accounts
3. Key Messages – identify content strategy to reach each

During your Account Selection activities, plot your current account selections into this matrix (Table 2) and conclude by selecting one cell to focus on during your revised efforts.

Stage of Engagement (Prospect)								
	Awareness		Consideration		Action			
	Identify a need	Initial research	Criteria development	Research	Comparison	Solution Selection	Trial / Evaluation	Purchase
Solution / Issue #1								
Solution / Issue #2								
Solution / Issue #3								
Solution / Issue #4								
Solution / Issue #5								

Table 2 – ABM Segmentation Matrix

DEVELOPING A NEW ABM PROGRAM

This focus will streamline your account planning and content creation activities (presumably all accounts within one cell will have similar needs and exposure to your solution) while creating a path to high performance for your ABM program. Once selected, apply the remaining Capability Framework activities to these selected accounts. Focus on reaching as far as possible to the high maturity approach found in Table 1.

While this matrix should include retention and cross / up sell engagement strategy, unless these are already developed marketing efforts within your organization save those efforts for a future stage. They are critical but will present an additional array of considerations outside of ABM in order for you to execute properly.

TRANSITIONING FROM LOW MATURITY

Key Advice – rethink what ABM could look like in your organization.

The majority of programs that fall into this category are emblematic of a technology purchase without sufficient understanding of the underlying strategy that would attain the right results. Step back to consider your selected audiences and what it is you want them to do.

As these programs are already in flight, the recommendation is to reconsider the account selection process and identify a pathway to migrate accounts from a “general” program to specific, targeted campaigns. To that end, gather sales and marketing teams to filter your existing account selection. Add to that selection based upon the best available data (from look-a-likes of recent wins to 3rd party insight including Predictive Analytics). Pour the resulting selection into the above matrix, Table 2. Now, select one cell to start the migration process. Examine the use case of the accounts in that state and determine what content, offers and channels will help you engage and win. Work through the remaining steps of the Capabilities Framework and focus on reaching as close as possible to the high-maturity vision for that selected campaign.

Over time, repeat the process of migrating accounts from a general campaign to a specific, targeted campaign. Through this process you will achieve greater results and a greater stage of marketing maturity.

TRANSITIONING FROM MID MATURITY

Key Advice – inventory your program against the ABM Capabilities Framework.

Mid maturity programs have done many things right, the areas to improve are varied by program. Using the ABM Capabilities Framework as a guide, analyze your current program, focusing on early steps in the Capabilities Framework.

Recommendations:

- ✓ Do not fail to form a tight collaboration between sales and marketing teams. The ABM Capabilities Framework is a perfect place to accomplish this, enabling a solid conversation and common objectives.
- ✓ Strongly consider cross sell and upsell opportunities within current accounts, as this is the single largest piece of low hanging fruit you will find.
- ✓ Go deeper on your account planning. One size does not fit all. Perhaps, one cell at a time in the Segmentation Matrix (Table 2) can reduce workload. Having said that, take the time with sales counterparts for the truly large and meaningful accounts. Push yourself to find ways to improve your ability to engage with them.
- ✓ Version content to fit specific needs found in your plans. Like account planning, content is not a one size fits all scenario.
- ✓ Determine at least one new channel you can fold into your ABM program. Reach further than display ads. Consider website and email tailoring to fit account based needs.

MAXIMIZING A HIGH MATURITY PROGRAM

Key Advice – flex your analytic muscles.

High maturity programs have done so many things well. Hats off to you! You are truly thought leaders.

The recommendation for high maturity programs is to focus on analytics and the ability to use those data to optimize your program and enhance Orchestration capabilities. This is really about having the right kind of account centric, multichannel analytics to be able to optimize the relationship between account marketing plans, content strategy and media spend. Challenge the assertions of your marketing plan, conceive new content ideas that may better engage an audience. Physically test those content and measure impact. If not already, consider the application of predictive analytics as a means to add more, higher value accounts into your selection process.

This focus will enable greater target audience engagement and will result in concrete business focused results to share with top management.

ABOUT THE ABM CONSORTIUM

Demand Metric is grateful to the members of the ABM Consortium for partnering to complete this research, for those who took the time to complete the study survey, and to Direct Marketing News (DM News) for being the media partner.

The Account-Based Marketing Consortium is designed to help B2B marketers better understand and deploy high-performance ABM strategies by sharing and promoting adoption of best practices globally. The consortium's objective is to expand the successful application of this popular new practice.

To accomplish this objective, members have constructed and advocate a unique capabilities framework consisting of six components that characterize successful Account Based Marketing programs:

- Account selection
- Insights
- Content
- Orchestration
- Targeted delivery
- Measurement

The world's top thought leaders have been handpicked for their excellence in delivering these capabilities, partners include: Demand Metric, Engagio, Demandbase, Vendemore, Azalead, MRP and Freya News.

Learn more about the ABM Consortium: <http://www.accountbased.marketing>



ABOUT DEMAND METRIC

Demand Metric is a global marketing research & advisory firm serving a membership community of over 75,000 senior marketers with primary research & benchmark reports, technology research & advice, consulting services, training, virtual events, and a library of 500+ practical tools & templates.

Demand Metric's core focus is to help B2B Marketing organizations improve internal capabilities and connect their activities to revenue growth.

To learn more about Demand Metric, please visit: www.demandmetric.com.

ABOUT THE AUTHOR: MARK OGNE

A marketing veteran with global experience and 5 startups under his belt, Mark Ogne is recognized for his innovation and a results oriented approach. Recently he founded the Account-Based Marketing Consortium, won the 2015 "Top 50 Twitter #EmployeeSEAL Award for #Leadership", contributed to the NYC bestselling book "The Social Employee", and became committee chair for the DMA International ECHO Awards Board of Governors. Mark is EVP at Demand Metric and thrives to help marketers create high-performance marketing programs.

ADDITIONAL READING

1. <https://www.cebglobal.com/blogs/b2b-marketing-why-you-need-mobilizers-and-customer-consensus/>
2. <https://www.cebglobal.com/blogs/demand-generation-how-to-do-it-right/>