Five fundamentals of effective account-based marketing



Marketing Options International account manager Matt Stevens examines why account-based marketing has become such an area of interest, and shares his experience and expert insight on how to get the most out of this increasingly popular approach.

In recent months, a growing number of clients have asked us about account-based marketing (ABM) – and it's easy to see why. In a world where marketers are under ever greater pressure to demonstrate return on investment, ABM has proven to be a highly effective way to drive increased sales from a targeted group. What's more, it also shows with absolute clarity the link between marketing spend and business results.

At its simplest, ABM involves a move away from mass marketing towards communicating in a highly personalised way to an individual, or small group of individuals. In other words, it means treating each of those individuals as an 'account' to be nurtured, much as a salesperson might. In practice, that means delivering more relevant communications – based on your knowledge of the target audience – to fewer people, more often. And the outcome? Higher quality sales leads, far further along the pipeline, and markedly less time and marketing resource spent chasing improbable opportunities.

"By delivering more relevant communications to a smaller but highly targeted group of people more often, account-based marketing delivers higher quality sales leads, far further along the pipeline."

Sometimes accounts will be existing customers, essentially drawing on what you know about them and their business to identify high-potential cross-selling and up-selling opportunities, and then accelerate the sale. But ABM also encourages a similarly focused approach to marketing to prospects, using an analytical process to pinpoint the most likely candidates for a specific product or service, then focusing your communications effort on them: building a relationship, using multiple channels and constantly honing the knowledge you have about each prospect so that the communication stays relevant.

Why ABM is on the up

Rightly, some will argue that there is nothing fundamentally new about ABM. In many ways, it involves putting a structure and added intelligence behind marketing good practice: making communications relevant to your audience. Over the last decade, professional services companies, such Accenture and IBM Global Services, have become associated with the approach, but today it's on the radar of a much wider audience – for three main reasons:

1. Advances in technology have put ABM in reach of many more organisations. Today it is far cheaper and easier to undertake the advanced data analysis that underpins ABM, to identify the most relevant targets. Perhaps even more importantly, the technology to deliver 'mass personalisation' – such as personalised URL campaigns, customised white papers or reports and the like – is also far more affordable.

2. Social media has helped blur the lines between personal and professional communication, providing an additional means of getting to know customers and prospects – from the subjects they tweet about to

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the LinkedIn groups they join. It also offers a route for marketers to communicate with their audiences on a one-to-one level, frequently and at low cost.

3. The length of today's sales cycles – particularly in the B2B technology sector – means that marketers are already faced with the challenge of having to communicate with a small audience over the longer term, to support bids. The experience gained here, maintaining contact from the initial lead onward, providing timely communications that add value to the prospect and showing that you understand their needs and priorities, is readily translated into ABM. Instead of the broad-brush communications that are used in typical marketing, ABM involves 'pushing' content and customised information to the right people at the right time, which can help accelerate prospects along the sales pipeline.

Yet while these factors are combining to put ABM on the horizons of many more B2B technology marketers, it is clear that there is still a degree of uncertainty about exactly what ABM entails and how best to harness it. Drawing on our experience of designing and delivering ABM programmes for a range of clients, we have identified five fundamental principles that should underpin any ABM initiative.

1. It's all about the data

ABM is essentially the formalisation of the process of focusing your communication activity on the most relevant opportunities and contacts. But to do that, you need to be prepared for the hard graft of working out who your most relevant contacts are. This involves more than number-crunching: instead, it involves a good deal of analysis and investigation.

The process starts with fairly typical customer profiling: identify the sector you want to target, the size of organisation and the customer problems you can solve. However, unless you are marketing seriously niche solutions, it doesn't stop there: you then need to dig a bit deeper, using as much knowledge as you can, to pinpoint the segment of that initial profile that offers you the best opportunities. Questions we might ask include what do we know of a customer's or prospect's purchasing patterns and processes? Have they procured anything of relevance recently? And when do existing contracts expire? You need to be ruthless and mathematical about it, literally give each potential target a 'score' so that you can work out the top 20, 50 or 100 opportunities, as your budget allows.

With the organisations identified, it's then time to start looking at the actual buyers and other prospective contacts within the business. Which of them should you target, and what you can discover about them? We actively analyse social media, for example, as a way to see what sort of issues individuals are interested in, as well as looking at speaking engagements, press activities and the like. The more data you can gather and analyse the better: it's essential to being able to personalise communications to reflect the audience's challenges and issues.

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2. Time to invest in content

One of the great advantages of ABM is that it allows you to build up a relationship with each 'account' through ongoing communication. But clearly, that communication needs to be of relevance and interest to the audience, or the relationship will fizzle out. This places a greater focus on content – providing your target audiences with information and insights that they will be interested in.

Some of that may be bespoke, such as responding directly to a client request for information, or inviting them to an exclusive event. More often, however, it will involve personalising existing marketing content, perhaps by adding relevant case studies for your reader that show a similar solution for a similar organisation, or highlighting particular paragraphs or sections in a longer report or white paper. It may be as simple as adding a covering email that explicitly states why you have sent them the content.

While some may baulk at the challenges involved in developing so much additional content, bear in mind that not all that content needs to be your own: analyst reports or articles, partner papers and presentations are all valid material to use in nurturing the relationship – as long as there is a clear reason for you to send it to them.

3. Be ready for a culture change

ABM requires a considerable change of mindset and marketing culture. Essentially you're moving from a world of broadcast to narrowcast: instead of trying to get your



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messages in front of as wide an audience as possible, your focus is now on getting a highly personalised message in front of just a handful of people – or even just one. That means that traditional measures of marketing performance, where ROI would 'rise' the more people you got to download a paper, go out the window. Instead of focusing on quantity of leads, the issue is entirely around quality.

For marketers that have spent much of their professional life running branding campaigns or direct mail, the shift is not an easy one. Targeting just a fraction of the thousands of names on a database seems fraught with risk. What if none of them come through? Where's the backup? How long will it take – and what about the short-term pipeline?

As an organisation, this requires some management and preparation. Individual marketers need to understand that their role has changed, and this then needs to be embodied in the way performance is measured. Equally, sales should be informed about the change in marketing approach. They need to understand why leads might take longer to come through but equally importantly, to realise that by the time they are talking to a prospect, they will be further along the pipeline: something no salesperson will object to!

"..ABM is hugely successful... but we recommend that it won't be, and shouldn't be, the only part of your marketing effort."

4. Don't put all your eggs in the ABM basket

Even though we're confirmed ABM advocates, and have seen more than enough evidence to show that ABM is hugely successful at turning qualified prospects into sales, we aren't blind to its limitations. In fact, in most cases, we recommend that it won't be, and shouldn't be, the only part of your marketing effort.

For example, while ABM can replace campaign marketing, there is – unless you're selling to just a very small target audience – a need to continue to invest in wider brand-building activities, in providing fresh web content and in supporting other corporate or product-based communications. This not only means you don't miss out on 'unidentified' leads, but also helps provide assurance to target accounts: just as no-one likes to eat in an empty restaurant, businesses will be uncomfortable with the thought that they're the only one you're dealing with. Corporate marketing provides the proof that you're a bigger player.

5. Understand what ABM is suited to

We'll be absolutely upfront about this: for all its merits, ABM is not suitable for all companies or for all products and services. In fact, there is a direct correlation between value and viability: the bigger the sale, the more useful ABM is. If you're just shifting high-volume products, then there is likely to be little point in investing substantially more resource in developing customer relationships.

But ABM is very well suited to the B2B technology sector, which is characterised by large projects and long-term, high-value contracts. Here, the sales process is long, but every win is significant. That's why it is worth spending the time and effort to identify the best prospects – and doing everything possible to advance them down the sales pipeline.

Is ABM for you?

If reading this has confirmed that ABM is for you, get in touch with us to discover more about our methodology, the technology we use, and how it can help you achieve a greater ROI.

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