



PREDICTIVE PLAYBOOK:  
Account-based Marketing

D&B Lattice



# PREDICTIVE PLAYBOOK: ACCOUNT-BASED MARKETING

We know how hard it is being a marketer today. So we've bundled smart ideas and tactics from elite marketers in our organization and beyond into a series of playbooks. These playbooks are designed to help diehard marketers like you align predictive marketing and lead scoring with today's buying cycle. By applying these straightforward suggestions and proven strategies throughout the prospect/customer lifecycle, you can take your marketing to the next level.

This, our first playbook in the series, is focused on account-based marketing (ABM). Read on for insights into account-based marketing: what it is, how to overcome common challenges, best practices for success, how to measure the results and what the future holds.



# What is Account-based Marketing?

**Ask ten people how they define account-based marketing (ABM), and you'll likely hear ten different answers.** So we turned to the experts at SiriusDecisions, a leading global B2B research and advisory firm. According to SiriusDecisions, "Account-based marketing (ABM) is the strategic approach marketers use to support a defined universe of accounts, including strategic accounts and named accounts. It also includes support for the post-sale customer lifecycle using marketing's toolkit to contribute to the overall customer experience."

In other words, ABM can include:

- ▶ **Named accounts that your organization has targeted**
- ▶ **Accounts reaching you through inbound channels**
- ▶ **Those in your existing customer base with the potential to buy more or at risk of churning**

At the highest level, your entire marketing universe is made up of three groups:

- 1 Customers
- 2 Inbound leads
- 3 Outbound targets

# Another Strategy in the Toolbox

## WHO'S IN YOUR SIGHTS?

Choosing accounts to target should be based on strategic goals. For instance, is your business trying to penetrate a new industry? Does your organization want to reduce customer attrition rates? Is your company trying to maximize the value of relationships with existing customers? Or are you trying to exploit a segment where you know your organization can succeed?

**To drive conversions and a healthy pipeline, most marketers employ a mix of strategies and programs.** Many inbound programs – such as social, SEO and retargeting – provide air cover to increase awareness and encourage a steady stream of leads. Many marketers complement their inbound programs with ABM, which enables a horizontal focus on a target set of accounts.

By considering your entire marketing universe, ABM helps you optimize spend around all account-based activities and strategies. And to help you lay a foundation, this type of marketing helps answer the following questions:

- What is the DNA of a target account?
- What is our target account universe?
- What are our goals with these accounts?
- What is their best way to achieve those goals?

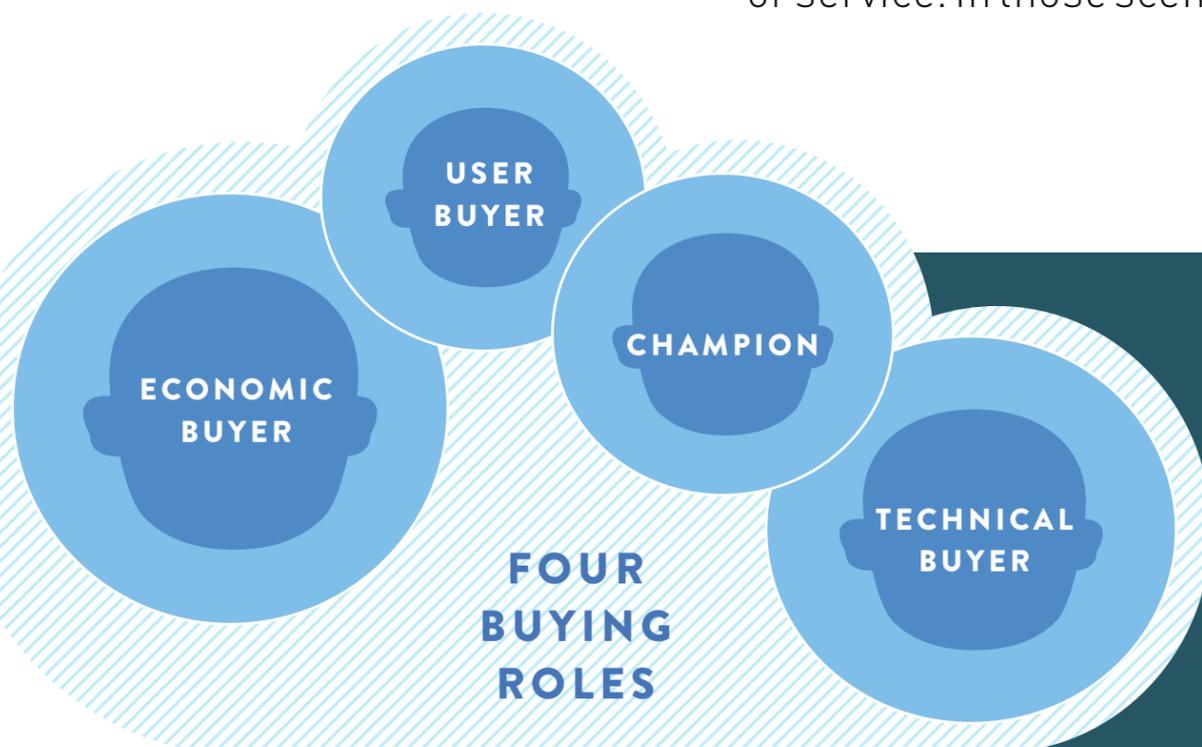
# Why Does My Business Need to Understand ABM?

## Marketers traditionally market to individuals.

While this philosophy doesn't change with ABM, it requires you to step back and understand the role and involvement of each person involved in the purchase.

ABM is especially important if your organization sells a complex or sophisticated product or service. In those scenarios, usually

more than one person in the buying organization needs to sign off on the purchase. Engaging and selling to a committee of buyers within an account means you need to understand top-level issues and goals of both the organization and each of the people on the buying committee. Then you need to develop messaging and content that speaks to each of those.



## WHO'S ON THE BUYING COMMITTEE?

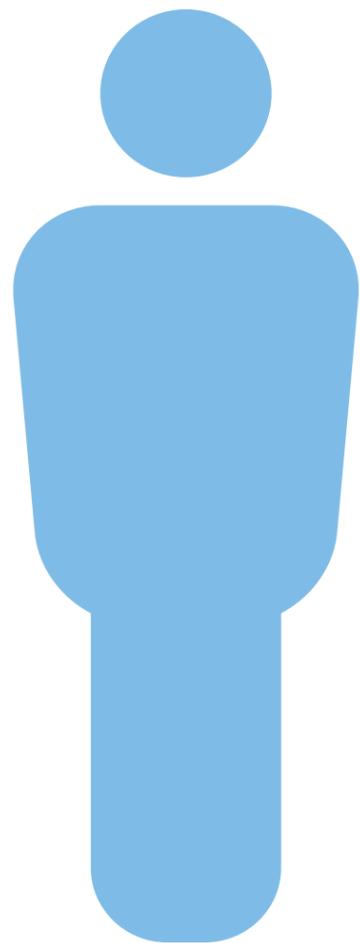
The following four buying roles are often involved in complex purchases: the User buyer, the Economic buyer, the Technical buyer and the Champion.

## ABM ENABLES PRECISE FOCUS

Since not all accounts are created equal, ABM is a way for marketing and sales to discriminate and select target accounts that are of high value. This allows them to strategically focus their campaigns, programs and outreach – instead of wasting energy on those that won't convert or deliver enough value to the organization. At the very least it enables marketers to prioritize target accounts while deprioritizing more broad-based tactics.



## You should consider adding ABM to the mix if your:



- ▶ Marketing messages and content cannot be applied universally to all prospects
- ▶ Organization has reached saturation with its horizontal strategy and needs to reallocate resources
- ▶ Business growth is leveling out



## Take ABM to the Next Level with Predictive Marketing

### WHAT IS PREDICTIVE MARKETING?

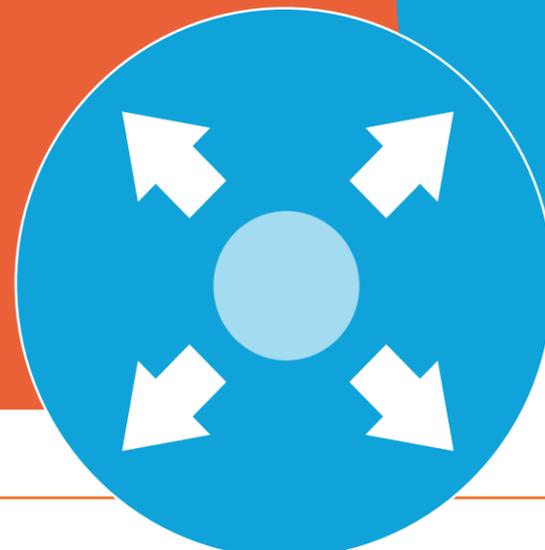
Predictive marketing considers all available data from both internal and external sources (e.g., CRM, marketing automation, blogs, websites, government sites, social media channels) and applies modern data science to answer questions such as:

- Who is going to be my next customer?
- How do I convert them?
- How can I find more of these ideal customers?

**While marketing automation has empowered marketers to take their demand-generation efforts to new heights, the software is not built to support ABM.** As a tool designed around

the concept of marketing to an individual contact, marketing automation limits the types of data that marketers can collect, and the scoring and segmenting they can do. That's where predictive marketing comes into play.

**To tap into the full marketing universe when choosing target accounts, it's critical to first understand that universe, and then prioritize and rank your efforts.**



## TAPPING INTO A WEALTH OF DATA

With predictive analytics, you can score and segment your customer base on any attribute, including things like company-growth indicators, social activity, technology usage, funding events, credit score, job data and more.

**Truly knowing your entire marketing universe requires insight into both individuals and accounts.** Blending account and lead scoring helps to provide a complete view of all available buying signals. Just like individuals, companies exhibit digital body language. For instance firmographic data may tell you a company fits the right industry profile or size. But what most marketers miss are the account-level buying signals such as growth trends, hiring patterns, government grants, patent filings or technology usage, just to name a few.

Having insight into account-level scores may give you a head start. Account-level activities are often the earliest buying signals, possibly preceding contact-level activities by weeks, months or even years.

Marketers can do ABM without predictive analytics by consolidating contact and account information into a single view, devising a scoring model and developing an ABM strategy. However, marketers that do ABM most elegantly and effectively use predictive analytics to score on three dimensions: fit, behavior and intent. By understanding these dimensions, you can take the key attributes of your ideal account and run segmentation to find more companies that are a good fit.

### THE POWER OF PREDICTIVE SCORING

By analyzing billions of rows of anonymous intent and company profile data, organizations can surface buying signals and create account-level scores. In turn, marketers can segment and create lists, and sales can prioritize their outbound calling efforts and optimize their territory/named account assignment process.

## GO BEYOND SIMPLE SCORING

Predictive analytics analyzes all the contact, opportunity, account and prior conversion data contained in marketing automation and CRM systems on three dimensions:

- ✓ **Fit** – Considering demographic details such as industry and title, what is the likelihood of this account being our customer?
- ✓ **Behavioral** – Analyzing the activities – such as reading a blog post, opening an email, watching a demo – that indicate an intent to learn more or being ready to purchase, what is the behavioral score of contacts associated with the account – whether prospects or customers? And how likely are these individuals to be our customers?
- ✓ **Intent** – Does the account demonstrate a need for our products or intent to purchase?



**Traditional lead scoring models are usually based on measuring a combination of fit and behavior, factors that typically make up the ideal customer profile.**

However, a company may be the perfect fit and exhibit positive behavioral signals (e.g., consumed content), but that doesn't mean it has a problem that your company can solve with its products. In other words, that account might have a need you cannot fulfill – or might not have a need at all.

To address this gap, a predictive scoring model goes a step further to also consider the account's demonstrated need or desire for the product your company offers.

# The ABCs of ABM

Now that you understand the importance of ABM, here's how to go about putting it into play.

## IDENTIFY HIGH-VALUE ACCOUNTS

Choosing the accounts to target is more than coming up with a dream list of ideal customers. Create a realistic plan by pinpointing the types of accounts your organization can successfully close. Analyze your customer database to identify common traits but also think about accounts with a history of buying from companies like yours.

## DEFINE YOUR GOALS

Are you trying to acquire new customers or further penetrate existing accounts, perhaps by expanding into another of the company's divisions? Your goals will help you develop the right list of targets. Make sure marketing and sales agree on the target accounts and criteria for success.

## PRIORITIZE ACCOUNTS

Run the list against a predictive model and tier the accounts by low, middle and high in terms of their likelihood to buy from you. Perhaps you'll focus the majority of your efforts on engaging the accounts in the highest tier – such as by setting up meetings – while you nurture the middle and bottom tiers.

## SINGLE OUT THE KEY CONTACTS WITHIN THE ORGANIZATION

Who is likely to be involved in the research and purchase process? Develop personas or profiles for each, covering their pain points, strategic objectives, information preferences, purchase motivators and involvement in the buying process at a minimum.

# The ABCs of ABM

## FOCUS WITH CONFIDENCE USING PREDICTIVE MARKETING AND LEAD SCORING

One of the hardest parts of ABM is determining where to focus. In fact, many marketers game their lead scoring criteria to ensure target accounts get passed to sales. Predictive marketing can eliminate the guesswork and end-runs by pinpointing accounts and explaining why they make ideal targets. Even more, it will help you zero in on the most important attributes across your accounts and predict the likelihood of converting targeted accounts.

## DOCUMENT YOUR MARKETING AND ENGAGEMENT STRATEGY

Once you have created a list of target accounts and understand the nuances of each, develop a strategy and

outline the tactics you'll use to engage key stakeholders within those companies.

## OPERATIONALIZE YOUR EFFORTS

Once you identify opportunities and develop your marketing strategy, you need to formalize how marketing and sales will work together. For instance, marketing needs sales to buy-in to marketing campaigns and messages it develops for ABM. And both groups must agree about how they will act upon the "recommendations" offered up by predictive analytics. A proven approach is to document SLAs that ensure timely follow-up with hot accounts.



# The ABCs of ABM

## ALIGN YOUR CONTENT MARKETING EFFORTS WITH YOUR ABM STRATEGY

Your content should interest and engage target accounts by focusing on the issues that are relevant in the account's industry, the account's organization and for each of the account's stakeholders – at each stage of the buying cycle.

## COMBINE DIGITAL, PHYSICAL AND SOCIAL CHANNELS

Remember that ABM is relationship-oriented, especially when you're targeting enterprises. Keep this in mind as you work to engage senior executives who are not going to take your calls or read your emails. Some ideas include inviting key contacts to a dinner with your executives, attending an industry event with

them, sending them a book or article with a personalized note attached or commenting on their blog posts. The point is to honor the fact that the account would be making a big commitment in buying from you and demonstrate that you are equally invested in the relationship.

## MEASURE AND OPTIMIZE PERFORMANCE

Align your tactics to goals and then define how you will measure your performance. Put processes and tools in place so you can measure results as you execute on campaigns. Over time, you can recalibrate to optimize spend on strategy.



# Common ABM Challenges that Predictive Marketing Solves

## GOING AFTER A “DREAM” LIST

The sales team creates a list of target accounts, largely based on company names reps would love to call “big wins”. Without basing this list on meaningful attributes – such as whether the accounts are faced with a challenge your organization can solve – sales is unable to focus on the accounts most likely to buy your products or services.

## BLINDED BY TUNNEL VISION

Lack of a single view combining inbound leads, prospects and customers makes it challenging for marketing to see the entire marketing universe.

## BUILDING ON A SHAKY FOUNDATION

Effective account scoring requires marketers to roll up individual lead scores and create the right segments. When marketers rely on basic lead-scoring models, they may end up with inaccurate/invalid scores and basic segments, limiting the effectiveness of their account targeting and messaging.

# How to Measure Success

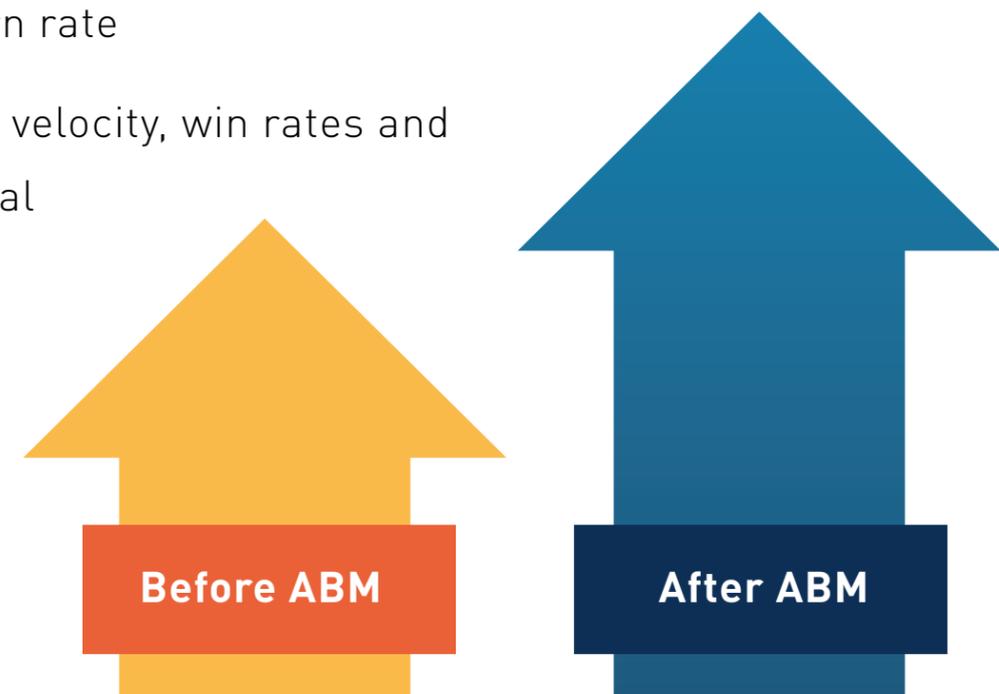
**When it comes to measuring the success of your ABM, you may need to initially focus on wins such as:**

- Added X# more of these types of account contacts into our database
- Engaged X% more people who fit this profile
- Increased demo requests
- Increased meeting acceptances
- Boosted conversion of MQLs to SQLs (or MALs to SALs)

As you get more experienced with ABM, focus on metrics that truly move the needle for your organization. If you pick the right accounts and deploy the right ABM strategy, your sales reps can potentially close more accounts, close deals faster, and even close deals for higher revenue amounts.

**Consider measuring these metrics:**

- Account conversion rates before and after instituting an ABM program
- Rate of setting up meetings at those accounts before and after
- Revenue per sales rep or per marketing dollar spent
- Customer churn rate
- Account-based velocity, win rates and revenue per deal



**SIRIUSDECISIONS RECOMMENDS THAT  
MARKETERS AND SALES REPS APPLY THE  
FOLLOWING CRITERIA TO ENSURE THAT  
ABM GOALS ARE SUFFICIENTLY  
DETAILED AND ACTIONABLE:**

**SPECIFIC**

Marketing should work with sales around opportunities to understand the plan for generating the anticipated revenue for each account, which solutions will comprise the offer, who is expected to purchase it, and the anticipated impact on the seller. For relationship goals, define specific objectives in terms of engagement levels, upticks in account health scores or increases in customer satisfaction or Net Promoter Score.

**MEASURABLE**

Align internally-focused goals with the customer's strategic objectives or challenges to ensure relevancy for both parties.

**ACHIEVABLE**

Set attainable goals, but don't avoid stretch targets. For instance, it might not be wise or realistic trying to sell a new product to a customer that has struggled with implementation. But a legitimate stretch goal might be selling professional services to customers who have successfully implemented but are not using the solution to the fullest.

**TIME-RELATED**

Establish priorities and timelines to guide the team in focusing its efforts and creating a sense of urgency to get things done.

**RELEVANT**

Define expected outcomes as precisely as possible, using metrics that marketing and sales agree on. For example, "How much revenue from product X are we anticipating from this account?"

**ALSO  
CONSIDER  
RUNNING AN  
A/B TEST**

See how your organization performs across multiple KPIs for accounts in your ABM program versus accounts in regular programs.

# Demandbase Significantly Boosts its Close Rate and Annual Contract Value

Demandbase believes in the power of ABM and it should: its platform exists so marketers can target and personalize their interactions with accounts. In fact, Demandbase puts ABM into play in pursuit of new customers, following a simple formula:

- Identify the right accounts
- Market to those accounts
- Measure by accounts

**While the company felt it was effectively identifying leads to pursue, it wanted to establish a list of strategic target accounts.**

According to Peter Isaacson, CMO for Demandbase, it wasn't able to do so through traditional lead scoring.

Wanting to take a more scientific approach to identifying the best target companies, Demandbase harnessed the power of predictive analytics. By applying predictive marketing technology to its closed accounts and late-stage pipeline, Demandbase determined

the characteristics shared by these accounts. In turn, it used predictive marketing technology to identify a larger set of businesses most likely to purchase from Demandbase, resulting in a list of accounts called the DB3000.

Sales and marketing agreed that it would measure the success or failure of ABM efforts using three metrics:

- Annual Contract Value (ACV)
- Close rate
- Funnel velocity (i.e., how quickly an account moved from MQL to close)



Demandbase saw a significant improvement

in both its ACV and close rate when comparing its performance using ABM versus traditional marketing.

While it saw less improvement in funnel velocity, this makes sense.

These accounts represent higher ACVs because they would be adopting more complex solutions and purchasing more products from Demandbase.

This type of purchase generally takes more time than the purchase of a single, simple product.

## ABM yielded better close rates and higher Annual Contract Values for Demandbase

	ASP	Close Rate	Funnel Velocity
 <b>ENTERPRISE</b>	<b>+26%</b>	<b>+75%</b>	<b>7%</b>
 <b>MID MARKET</b>	<b>+5%</b>	<b>+10%</b>	<b>4%</b>
 <b>ADVERTISING</b>	<b>+72%</b>	<b>+21%</b>	<b>-16%</b>

# The Future of ABM

## “The Two Elements Necessary for Effective ABM? Account Scoring & Orchestration.”

- Nicolas Draca,  
Senior Director,  
Global Marketing  
Operations at  
LinkedIn

Marketers need to capture contact scores at every stage of the buying journey and consolidate all relevant contact scores into an account score. In a perfect world, they would then be able to apply data and insights to offer the right content to the right person at the right time in the right channel throughout the buying journey.

However, two dominant trends in marketing make it difficult to achieve this vision: the use of marketing automation software and adherence to MQL as a key demand-waterfall metric. Because marketing automation is structured to support interactions with individuals, it can't be

used to easily roll contact scores into an account score. To complicate matters, an MQL is a contact-focused metric.

▶ **Draca proposes a new metric called Marketing Qualified Account (MQA).**

Marketing automation software and the MQL metric are perfectly suited to marketers practicing traditional marketing. After all, they are focused on engaging and converting contacts at the top of the funnel. But to align with their sales counterparts who are focused on accounts at the bottom of the funnel, marketers are adopting an ABM approach. And once the shortcomings of marketing automation software and the MQL metric are addressed, they can close the gap from the top to the bottom of the funnel – and throughout the buying journey.

## Conclusion

The foundation for any successful ABM program is clearly identifying the most promising target accounts. By using predictive marketing to better understand what makes an account a likely buyer, you can more effectively identify, attract and engage the right accounts.



### ADDITIONAL RESOURCES

- Demandbase – Access a wealth of resources created and curated by this leading provider of B2B marketing solutions:  
<http://www.demandbase.com/account-based-marketing/>
- ITSMA – Tap into resources and expertise from the firm that pioneered the concept of Account-based Marketing more than a decade ago.  
<http://www.itsma.com/abm/>
- SiriusDecisions – Glean strategic insights around ABM from this leading global B2B research and advisory firm:  
<https://www.siriusdecisions.com/Topics/Marketing/Account-Based-Marketing.aspx>



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