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Account-Based Marketing
The Art of the Start

Leveraging a Strong Data Foundation
to Fuel ABM Success

Executive Summary

Account-Based Marketing (ABM) offers many promises around customer growth and retention. While not a new concept, both data-driven marketing approaches and new marketing tools have given ABM a resurgence of late, making it a practical approach for any sized organization. To be successful, ABM programs call for careful data-driven planning, execution and monitoring. These require a solid data foundation in order the most success through a focus on the right accounts.

Research undertaken by Avention- now part of Dun & Bradstreet- in March, 2016 shows that the needed data foundation is not in place with business-to-business (B2B) marketers universally, creating challenges. Data access and quality are fundamental impediments to getting ABM programs started; in fact, a lack of data or the ability to leverage it was cited as the top roadblock by survey respondents. In planning ABM programs, B2B marketers are also challenged in identifying accounts that match target segment attributes and identifying relevant contacts within target accounts. Once a program is started, it is essential that account and market news and events be monitored to ensure programs remain relevant. This was identified as another area of challenge.

With a majority of marketers surveyed viewing ABM as important to driving growth, it is critical for companies to put a strong data foundation in place to give themselves the best starting point for their ABM journey and the best chance of program success – selection of the right target accounts. There is no doubt that the road to successful ABM starts with data and the right tools to deliver that data in a meaningful way. Having the best, most relevant and up-to-date data from which to make actionable decisions is also important throughout an ABM program. Data, indeed, is the fuel for a successful ABM program.

86%
express confidence
ABM will drive growth

#1 roadblock
to an ABM start: lack of access to the right data and the ability to leverage it

75%
can't find right contacts at companies matching target profile

◀ While ABM is not new, the topic has been picking up steam since early 2015, with a

"hockey stick" surge in the search interest

Introduction: What is ABM

Industry leader SiriusDecisions provides one of the best definitions of ABM: Account-based marketing is the strategic approach marketers use to support a defined universe of accounts. It includes support for the post-sale customer lifecycle using marketing's toolkit to contribute to the overall customer experience. ABM helps to evolve the role of marketing to reflect a stronger alignment with sales objectives and customer needs to deliver better execution and revenue outcomes (SiriusDecisions).

ABM has seen a recent resurgence because of recent advancements in the technologies, data and tools that enable organizations to do it well and do it at scale. Its "flip the funnel" mindset also offers a good balance to less targeted demand generation programs, though both have a role in the sales and marketing mix. ABM used to be seen only as a tool for the enterprise; now, it is accessible to B2B marketers across the spectrum.

ABM Requires Process and Tools

ABM programs are made up of a series of steps that require alignment and collaboration between marketing and sales. For the most success, each of these steps must be supported by the right data. This is especially true for the steps involving candidate target identification and research on the selected target accounts.

Google Search Popularity for Account Based Marketing
(Source: Google Trends)

2016

2015

2014

2013

2012

2011
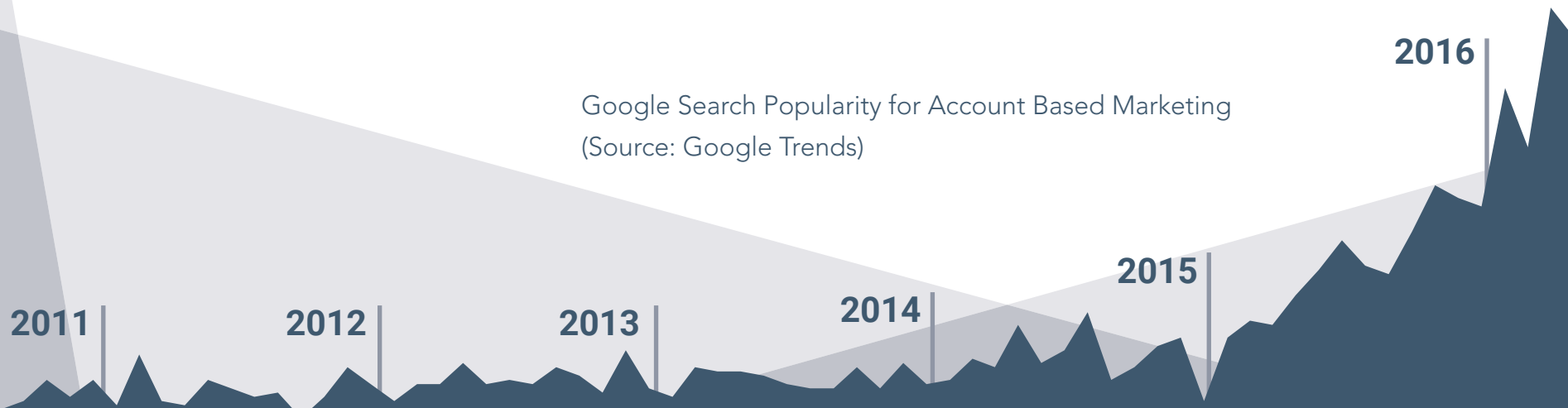
▶ What ABM is not

"If you're boiling it down to segments of 50,000 for an ABM program, then it's not ABM—it's just marketing."

Aaron Dun, Senior Vice President of Marketing, SnapApp

Target account selection should be thoughtful and meaningful, not random or based on wishful thinking. Knowing your market at a detailed segment level is an essential first step in that selection. Once you know the attributes of your strong and weak segments, you can start to make data-backed business decisions as to where to focus your ABM efforts. Once accounts are selected, gaining as deep an understanding about those accounts –and the relevant contacts within them – is critical to making your program account-based and not just another general campaign. Relevant contacts can, of course, include decision makers as well as influencers; most programs need to cast a wide net across the target account.

One of the key reasons ABM is able to gain momentum now is because there are new technologies on the market that enable it. These new solutions include tools for market and customer segmentation, identification of 'look-alike prospects', campaign tools and B2B data analytics tools. And, while tools that provide deep account insight have been around for some time, they take on new and critical meaning in the context of account-based sales and marketing approaches. All of these tools collectively have created a sales and marketing ecosystem that obviously works best when components are connected.

To understand the current state of ABM – and the role of data within it – Avention-now part of Dun & Bradstreet, undertook market research surveys in March, 2016 and spoke with a variety of B2B marketing leaders. One survey focused on ABM successes and challenges and the role of data; the other focused on the role of predictive indicators in ABM and marketing, in general. This report summarizes the findings of that research. Data and quotes on the following pages are from those surveys and interviews.

Steps to ABM Success

Data Critical Throughout

1

Know Your Market

Combine your customer data with trusted market data; Segment along multiple dimensions; build ideal profile

2

Identify & Validate Targets

Select target accounts for both account management and business development teams; map your contact coverage in target accounts

3

Populate Account Map with Insights and Contacts

Identify relevant data & contacts; map influencer and decision makers. Connect account insights to sales & marketing strategy

4

Create Account-Specific Messages, Offers, Content

Using insights gathered above, generate or modify messages and content personalized for target accounts and contacts

5

Execute Program

Create engagement plans; personalized marketing campaigns, sales direct touch

6

Measure, Refine Strategy, Expand

Track results, refine as needed. Consider any account or market changes

The State of ABM

The Lucrative Promise of ABM

ABM's promise is all about gaining more loyal (and more lucrative) customers. Customers become advocates for your goods or services, thereby helping you to expand your market presence even further.

The ABM market survey reveals a very strong feeling of ABM relevancy to the business, and confidence that ABM will drive growth this year and next. But the survey also revealed a phased adoption — under 40% reporting an ABM program in place, a further 15% piloting a program and 21% planning a program.

▶ "Companies using ABM generate

208% more revenue

for their marketing efforts."

(MarketingProfs)

>90%

say ABM is relevant to
their organization

86%

express confidence
ABM will drive growth

▶ **"ABM is a must**

for segmentation-centric, enterprise market-

ing organizations."

EJ Schmidt, Global and

Corporate Marketing, Stratus Technologies

Data Quality and Access are Biggest Barriers to ABM Implementation

What is stalling B2B marketers from rolling out ABM? It turns out it is all about the data and marketers' abilities to leverage it. This was reported as the top challenge by survey respondents. So, while data is essential to a successful ABM program, B2B marketers surveyed are still challenged by data access and the ability to draw insights from the data.

Organizations are struggling because they are hamstrung by a lack of access to the right data for their sales and marketing needs, including access to a single source of account truth. Almost two-thirds feel that there is no single source of truth for organization-wide customer data. And the majority of respondents report not having the right data for either sales or marketing—rather they are 'building towards' having the right data. These issues with data are obviously problems for an account-based approach that relies on solid segment understanding, which in turn relies on solid customer data. Without the right data, how can you be sure you are selecting the right accounts for your ABM program?
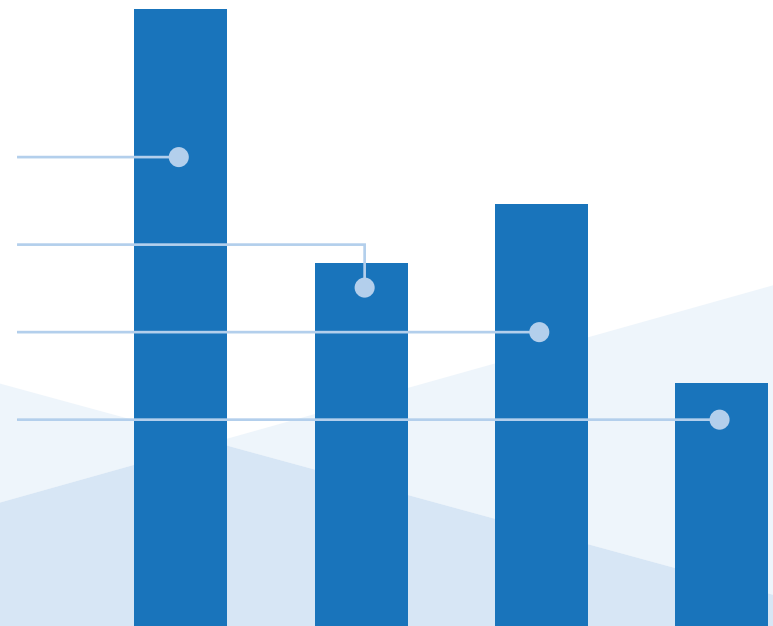
Account-Based Marketing gaining steam

Is your organization currently practicing account-based marketing?

38% Yes, we have at least one ABM program in play

15% Yes, we are piloting one ABM program

21% We're planning to within the next 6-12 months

26% No /not applicable

Without relevant, in-depth, accurate and useable account and market data, your ABM program will stall. ABM success relies on highly-specific and targeted intelligence and the marketer's ability to harness that intelligence toward effective account selection, engagement and sales. Lack of this intelligence will inhibit a program's success and, as the data shows, can also inhibit your ABM program getting started in the first place.

#1

roadblock to an ABM start:
lack of access to the right data
and the ability to leverage it

~2/3

do not have a
'single source of truth'
for customer data

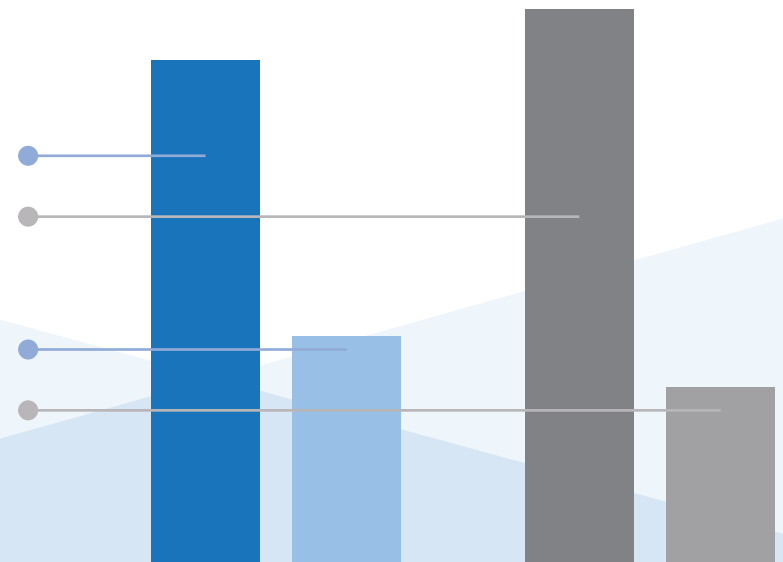## Organizations don't yet have the right ABM data for sales or marketing

I believe that my organization...

76% ...is "building toward" having the right data for marketing

69% ...is "building toward" having the right data for

24% ...has access to the right data for marketing

31% ...has access to the right data for sales

Spotlight on Data Challenges

"Organizations need a very **methodical and surgical approach to data.**"

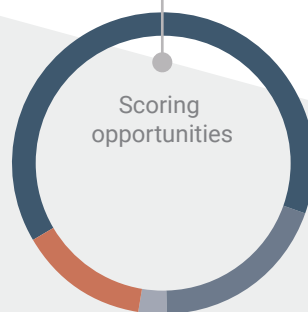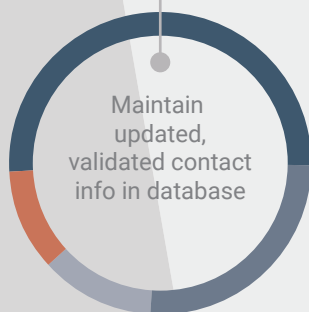EJ Schmidt, Stratus Technologies

Mastering Data Quality

It is essential that you start your ABM program by first getting a good grip on your data—accuracy, depth, relevance and usability. However, the majority of companies surveyed are still developing these capabilities – less than one-quarter of respondents identified themselves as leaders in using data as a strategic asset.

When asked about specific actions data can drive, leadership confidence wanes with only 14% of respondents feeling they have a solid handle on scoring, real-time monitoring of accounts and knowledge ramp-up, and even fewer feeling confident about their ability to keep contact information up-to-date. There is room for improvement along each dimension.

Majority feel they can make more effective use of data

What is your organization's effectiveness in these areas?

▶ We're doing great ▶ Getting better ▶ Limited ability ▲ Not capable

Maintain updated, validated contact info in database

Scoring opportunities

Obtaining real-time updates of customer/prospect actions that represent a buying need

Quickly learning about new prospects or markets

With data so essential to both a strong ABM start and actual ABM results, it seems that most B2B organizations still have some distance to go in terms of having access to the right data, keeping it up-to-date and using it strategically. Scoring opportunities, obtaining real-time updates on customer and prospect actions that represent buying needs or quickly learning about new prospects and markets are all key elements to the creation of a strategic account profile that is broad, deep and continuously updated. This profile is central to the ABM process.

▼ "Inactive or unverified data is bad data."

Michael Bronaugh,
Database Marketing Manager, Vistage

Depth	Usability	Accuracy	Relevance
★★⯪☆☆	★★⯪☆☆	★★★⯪☆	★★★⯪☆

Rate the quality of your customer/prospect data in terms of the following categories (1=very weak; 5=very strong) - weighted average shown.

Putting the Data to Work: Segmentation and Account Identification

Segmentation is key to marketing and sales success, and this is especially true for ABM. The type of account data you will capture for segmentation largely depends on your business. Based on the collective wisdom of B2B marketer respondents, an-

The top indicators used to define best customers

Please select the top two indicators you use for defining your best customers?

- 4% Creditworthiness
- 5% Location
- 5% Expanding/Hiring
- 11% Products held
- 20% Frequency of engagement
- 21% Frequency of purchase
- 23% Estimated lifetime value
- 52% Length of relationship
- 61% Annual spend

▶ "To truly practice ABM, you need to finely

segment your data into smaller groups to create an actionable universe.

This thoughtful engineering of both the segments, and the data about those segments, ensures your campaigns will resonate with your buyers."

Aaron Dun, SnapApp

nual spend, length of relationship and account lifetime value should be among the top criteria for defining best customers, which is one way to prioritize accounts for inclusion in an ABM program.

Robust segmentation will help you identify areas of strength and weakness across multiple dimensions – a combination of the criteria noted above, or your own relevant criteria. Once you have a solid grasp on segments, you can decide how much to focus on areas of strength versus areas of weakness. You can also decide how much your ABM program should target existing customers (to retain or develop/expand) or net new customers (to acquire or "land"). These decisions might be different by geography, sales channel, or even by individual salesperson. Of course, the calls you make should be guided by your company's overall business goals and strategy – and need to be monitored to calibrate for any account or market changes.

For ABM programs aimed to gain net new customers, it makes sense to target the prospect accounts that match the attributes of your identified target segments. This seems to be easier said than done, as almost 70% of marketers responding to our survey are not yet able to identify 'look-alike' companies that match target segment attributes.

~70%

are not able to identify 'look-alike' companies that match target segments

▶ "Understanding how to

reach the customer at the most opportunistic time—

at the beginning of their buyer's journey—

is the hardest thing I had to do."

Kevin Cancilla,

Director of Marketing, Vindicia

The Rise of Predictive Indicators for ABM Segmentation and Targeting

It should be noted that segmentation based on static information (e.g. location, revenue), while a very valid and typical method of segmentation, does not provide insights on those companies undertaking activities that can indicate a need for your product or service. Segmentation on the behavior of a company changes this. Predictive indicators make use of company characteristics and behaviors and provide you with deep insight into the DNA of your accounts. They help marketers target new prospect companies exhibiting the characteristics of your best customers, unearth business behaviors that signal buying readiness, and tune in your messages and outreach at the most opportune time.

From ABM Segmentation to Alignment with Sales to Successful ABM Campaigns

With prioritized segments in hand, and candidate companies from those targets identified (be that existing customers or net new prospects), marketers can confidently align with sales to select ABM target companies from the candidate list. A strong data foundation creates a bridge to connect sales and marketing.

Once sales and marketing have aligned around the specific accounts to include in an ABM program, it's important that ABM practitioners have easy access to deep company and industry information so that they can craft optimal messages and offers to the target account. With these messages and offers, sales and marketing can drive robust outreach per account. However, the surveys found additional challenges in these areas.

75%

can't find right contacts at
companies matching target profile

>50%

have limited or no ability to
gather real-time intelligence
on target accounts

B2B marketers reported challenges around having the right account insight. This either slows the development process of an ABM program, or leads to less optimum program outcomes if plans are based around incomplete or inaccurate data.

With the account data issue in mind, it is not surprising that most marketers are also struggling with other foundational data challenges – over three-quarters don't even have the ability to find the right contacts at companies that match their target profile. It goes without saying that this needs to be addressed if an ABM program is to succeed. Mapping roles and functions of decision makers and influencers is a key part of any program.

It is important to remember that ABM programs need to run for a good length of time. During that time, many things can change with the target account, so keeping a 'finger on the pulse' is essential. Sales and marketing need continually updated information about their target companies and the market in which the targets operate to ensure planned ABM tactics stay relevant. Messages and offers may have to shift based on key events (e.g. new executive hires). Marketers need these signals to know when and where to adapt to get the most of their ABM campaign investment. Yet, over half of marketers report limited-to-no ability to gather real-time intelligence on target accounts.

These results spotlight a fundamental challenge that B2B marketers face around the data needed to start and support an ABM program. While ABM is relevant and expected to drive growth, these data challenges must be addressed for ABM success and scale.

Practical ABM Guideposts Marketing Leaders Advise

"With close collaboration between marketing and sales, we were able to analyze our customer data and select the accounts with the biggest upside opportunity for our ABM program. For a few of them, our

ABM activities contributed to doubling the annual revenue

 from the account."

Jeff Ernst, Co-Founder of SlapFive, formerly with Forrester Research

As noted, part of the research for this report included interviews with B2B marketing leaders. These interviews confirmed the relevance of ABM and the need for a solid data foundation. Most agreed that segmentation and building out your key account list at an effective level is not done in a day and the right tools are essential. Putting the right overall ABM infrastructure in place can take some time. Even trailblazing ABM organizations like Vindicia, with whom we spoke during our interviews, have had to experience the growing pains of integrating and iterating across CRM, marketing automation, data and account-based ad platforms.

ABM Guidance from the Experts

The following is practical, tested ABM advice from the marketing leaders who contributed their insights for this report:

On ABM Data

- The more data you have, the higher your ability to drive costs down and make those insights more meaningful and scalable to a larger population.

- Expand beyond the notion of named accounts.

- Move beyond company size.

- Legacy data and legacy systems, especially in established organizations, can be one of your biggest hurdles.

- Predictive intelligence is only as good as your foundational data sets.
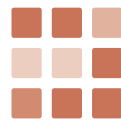
On ABM Segmentation

- Land on your own segmentation approach by answering: 'Where do you see your best opportunities?' 'How will you align your resources to target them?'

- Develop your RAD model and map accounts accordingly: Draw a 3x3 grid. On one of the axes put Retention, Acquisition, and Development; on the other – your industry segments.

- Start segmenting by looking at the entire universe of customers, and ruling out those that are too small or have outsourced to someone else; then look at the net-available customers.

- Then identify your lookalikes—the next organizations you would like to sell to. Treat them as a market of one; nurture them individually.

On ABM Targeting

- Narrow down your segments; apply thoughtful engineering to reach those segments. Create robust content with the right messaging to convert.

- Invest in the right content to scale your ABM program.

On Sales & Marketing Collaboration

- Talk to sales and agree on the organizations and segments to target, including those you should not be spending time on.

- Align on terminology—marketing and sales need to speak the same language. Rather than looking for leads, search for opportunities; instead of dealing with individuals, focus on accounts.

- Have ABM be a shared sales and marketing responsibility.

Summary: Road Readiness Check for a Strong ABM Start and Finish

ABM can lead to better customer acquisition, growth and increased retention. It also offers the promise of more 'share of wallet' and customer advocacy. While not a new concept, data-driven marketing approaches and new marketing tools both have helped to make ABM a practical approach for B2B organizations of all sizes. Like any journey, ABM programs require careful planning and monitoring to be successful, which in turn requires a solid data foundation. As our research has shown, that data foundation is not in place universally, creating challenges to a successful ABM start and strong finish.

To ensure your ABM program gets off on the right track, marketers need to start with these fundamental ABM activities:

- ☑ Make sure current customer and prospect information is up-to-date and cleansed. This is the basis for all remaining steps or account selection and profile building.
- ☑ Segment customers and prospects along multiple dimensions – including behavioral attributes – to identify your areas of strength and weakness.
- ☑ Identify candidate companies – both net new and existing – within target segments.
- ☑ Use data to bridge sales and marketing, aligning on target account selection and strategy.

Once target accounts for your ABM program are agreed upon between marketing and sales, move to the next steps to ensure success of your ABM journey:

☑ Build a deep understanding of target accounts and the market in which they operate so that you have data as deep, rich and current as possible.

☑ Identify relevant contacts and create an account map.

☑ Craft compelling messages, offers and content specific to each account or contact.

☑ Time message delivery well based on real-time insights and activity triggers.

Monitor both results and any changes at target accounts so that you can adjust your program as needed. CRM and marketing automation platforms can help track progress, as can new, emerging tools.

The road to ABM success may be long and winding, but with the right data in place, the journey should end with success for both you and your customers.

About This Report

This report is based on a combination of two original surveys and a series of interviews with B2B marketing leaders. Key sources include:

- **Account-Based B2B Marketing: Opportunities and Challenges**, conducted in March 2016. The 100+ survey respondents represented a variety of industry verticals, spanning CXO positions such as CEOs, CMOs, and VP of Sales.
- **Can Marketers See What's Coming Next,** conducted in March 2016**.** The 100+ survey respondents represented a variety of industry verticals, with job functions spanning C-suite, directors, managers, and consultants.
- **Original interviews with leading marketing practitioners**, performed in conjunction with Scratch Marketing + Media, consisting of the following participants:
  - ◊ **Kevin Cancilla,** Director of Marketing at Vindicia
    🔗 linkedin.com/in/kevin-cancilla-371b9b2 🔗 @kevincancilla
  - ◊ **Linda Duchin,** Senior Director of Demand Generation at Perfecto Mobile
    🔗 linkedin.com/in/linda-duchin-44a782
  - ◊ **Aaron Dun,** Senior Vice President of Marketing at SnapApp
    🔗 linkedin.com/in/aarondun 🔗 @ajdun
  - ◊ **Jeff Ernst,** Co-Founder of SlapFive, formerly with Forrester Research
    🔗 linkedin.com/in/jeffernst 🔗 @jeffernst
  - ◊ **Eric-Jan Schmidt,** VP of Global and Corporate Marketing at Stratus Technologies 🔗 linkedin.com/in/ericjanschmidt 🔗 @ericjanschmidt
  - ◊ **Michael Bronaugh,** Database Marketing Manager at Vistage
    🔗 linkedin.com/in/michaelbronaugh

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