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MARKETING RESOURCES

Account-Based Marketing



Introduction

Account-Based Marketing

Chapter 1

What Is Account-Based Marketing?

Chapter 2

Who Is Account-Based Marketing For?

Chapter 3

The Benefits of ABM

Chapter 4

How ABM and Inbound Marketing Intersect

Chapter 5

Account-Based Advertising

Chapter 6

Account-Based Marketing Is the Perfect Supplement to Your B2B Marketing

Account-Based Marketing

One of our favorite things about marketing is also one of the most challenging – it’s always changing. Whether it’s the advent of TV advertising (which we missed, having not been born yet) or the breakneck pace at which the internet took over our lives, the marketing landscape is a tumultuous one. Today, the latest and greatest development is account-based marketing, also known as ABM. For the right business with the right customers, ABM can be a hugely advantageous, lucrative strategy. Here’s how it works.

Chapter One: What Is Account-Based Marketing?

Think of ABM as a reversal of the traditional funnel model. In most marketing strategies, you cast a wide net. You’re not going after everyone, obviously, but you are attempting to bring your product to the attention of virtually anyone who might be interested. From that wide base of attention, you narrow down to a smaller number of interested leads. You nurture and engage those leads, building their interest. Finally, you convert some of them.

When it comes to account-based marketing, you start at the “bottom” of the funnel – with a few good leads. You’ll choose those leads first, based on their compatibility with your company and your product – we’ll get to how in a minute – and then nurture and engage them from there. It’s the precision approach to lead generation. Rather than casting a net, you’re using a spear.

The ABM approach is catching on. [More than 60 percent of companies planned to launch an ABM-based campaign](#) in the last year, though its scope is still limited to B2B companies. Even with modern technology helping you keep your customers organized, there’s a limit to the number of individual campaigns you can manage.

Another obstacle is the [misalignment between sales and marketing departments](#). We’ve written extensively about this problem before, but the classic story is this: marketers generate leads, but often feel that salespeople don’t try hard enough to follow up on and convert them. Salespeople, in turn, feel that marketers aren’t bringing in the right kind of leads, making it harder

for the sales team to convert. And just to complete the loop, marketers wish that salespeople would give them better feedback about the kind of leads they want.

With ABM, you can finally get your departments to stop bickering and work together, like when your kids actually help clean up the kitchen instead of arguing over who has to wash and who has to dry. The two departments won't argue about what kind of leads you should pursue because you're pre-selecting your leads before the marketing and sales strategies even start.

Chapter Two: Who Is Account-Based Marketing For?

B2C businesses don't have much to gain from account-based marketing. They simply have too many customers, and it would be time-consuming (not to mention logistically impossible) for you to find individual customers and target your message to them in a discrete way.

Instead, ABM is best suited to companies that service one of two types of business:

1. Industries with only a few big players. If you make software that helps shipping companies manage the logistics of their vehicle fleets, there are only a few dozen companies that might want your product — and if you land a multi-year contract with UPS, FedEx, or Amazon, you might not need another account. Tailoring your marketing to each client is well worth your while when there aren't many to go around.
2. Very specific industry needs. Let's say you make the machines that spas use for laser hair removal — it should be pretty easy to narrow down the businesses in your area that could benefit from that kind of product. You don't need to cast a wide net if you already know where the fish are.

You might be reading that description and thinking it sounds familiar. In fact, a lot of B2B businesses are already engaged in ABM, even if they don't call it by that name. Some people refer to it as "key account marketing" instead, while others don't even have a term for what they're doing. If your list of prospects is fairly narrow, you might already know which companies you're

trying to sell to before your marketing efforts even improve.

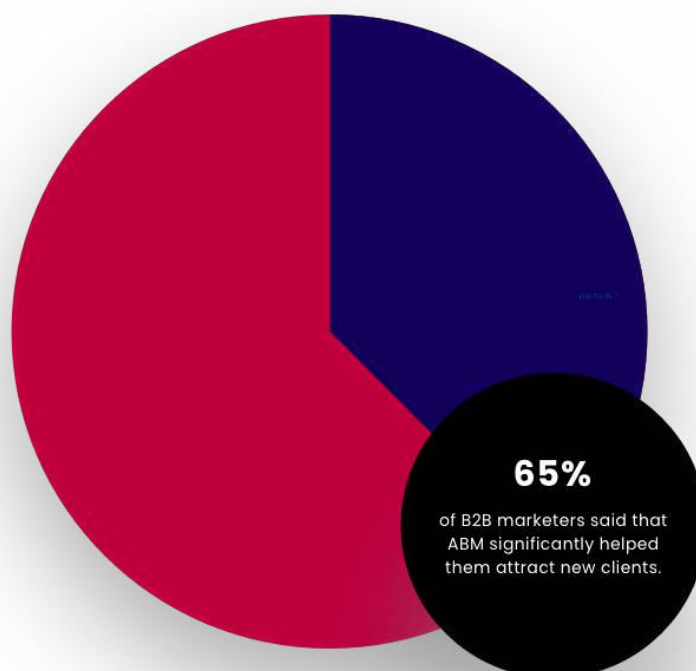
At the most granular, ABM consists of making a pitch toward a single company, tailor-made to their exact needs and specifications. At a broader level, you're creating marketing materials for companies in a specific industry or vertical, but you're still only presenting those materials to a list of companies that you build beforehand.

Chapter Three: The Benefits of ABM

Any savvy marketer isn't going to take our word for it — you need to know that ABM actually works. Don't worry, there are plenty of benefits to ABM. Here are a few of them.

ROI is Much More Obvious

One of the most important KPIs in any marketing campaign is ROI — you need to be making more from your campaigns than you're spending; otherwise, why bother? According to the 2014 ITSMA Account-Based Marketing Survey, [ABM offers the highest ROI](#) of any B2B marketing strategy or tactic. According to a different survey from Alterra, 65 percent of B2B marketers said that [ABM significantly helped them attract new clients](#).

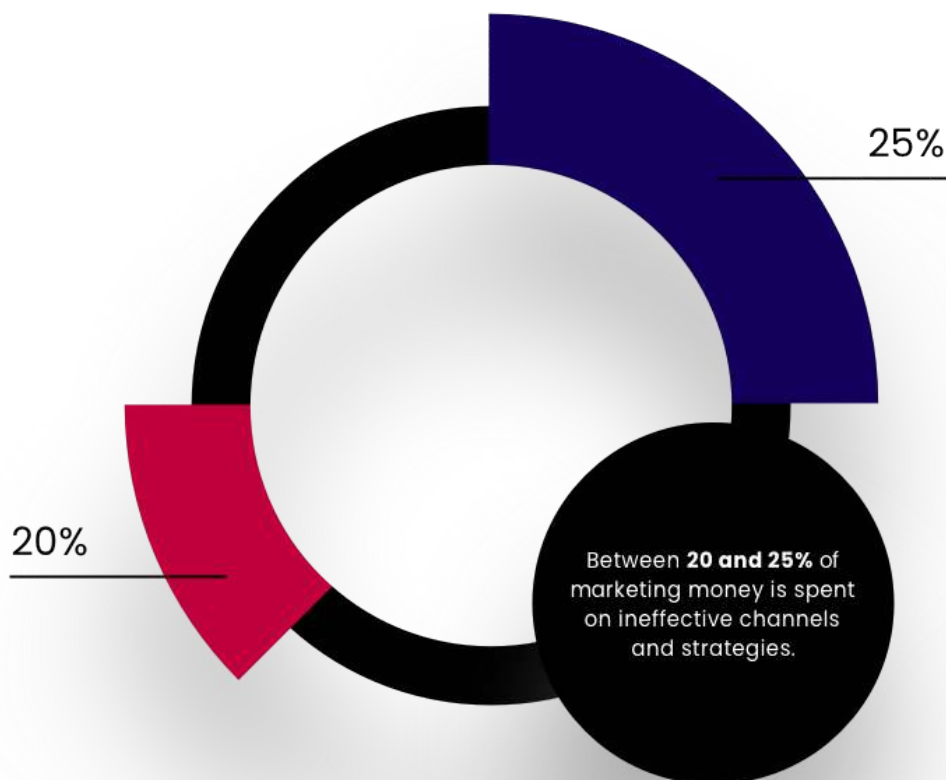


This shouldn't be much of a surprise. With a typical marketing campaign, you're putting your materials in front of a lot of people in the hopes that some of them will eventually become customers — but it's hard to tell how far your campaigns are reaching or who exactly is seeing them.

With ABM, you know exactly who's seeing your marketing materials, what kind of collateral you produced and where you published it, and how much the whole campaign cost you. If it takes \$5000 to land a \$100,000 contract, you know exactly how much you're making.

ABM is Much Less Risky

In any normal marketing campaign, some portion of your money will inevitably be wasted. Broadly speaking, eMarketer estimates that [between 20 and 25% of marketing money is spent on ineffective channels and strategies](#). In one extreme case study by Disruptive Advertising, a [client was spending almost \\$50,000 a month](#) on paid search ads that were generating no leads whatsoever. Some of the people who see your campaign won't want to hear it — or simply won't care. Worse, you might spend hundreds of hours and thousands of dollars on a new campaign only to find that it simply doesn't resonate with your prospective customers. Every campaign carries some risk.



That risk is substantially reduced with an account-based marketing campaign. With ABM, you know that the people who see your campaigns are interested — that's why you picked them out. You also know that the materials you've built will apply to the next batch of leads that you pick out — if you don't convert one lead, you can simply find the next contact on the list, tweak the names and numbers accordingly, and proceed as planned.

Clients Like Personalization

When it's done right, [personalized marketing carries a huge appeal for your customers](#). Email marketing is a great example — even though it's far from the newest or most exciting form of marketing out there, it still generates some of the best ROI. In fact, according to Hubspot, email marketing can generate a staggering \$38 per dollar spent. That's an ROI of 3,800%.

Since ABM is geared toward a few precise target companies (or even one in particular), you can create ads, landing pages, and other marketing materials with one specific company in mind. They'll be able to tell that you did your homework when researching them, and they'll appreciate the personal touch.

Setting and Measuring Goals is Easier

[Setting goals before you start a marketing campaign is a crucial first step](#) — if you're going to be able to tell whether your campaigns are working, you need to compare your results to something.

With ABM, you know ahead of time who your targeted accounts are, and you're working with a much smaller number of clients. Not only that, but setting goals is much simpler. Your goal might be something as simple as "sign this client," or it might be something more complex like upselling, cross-selling, or convincing a certain number of your clients to adopt a new product (we'll go into more detail on goals in a minute). With obvious objectives, it's much easier to tell whether you've been successful.

Chapter Four: How ABM and Inbound Marketing Intersect

[More than three-quarters of marketers are using an inbound marketing strategy](#), and we're no exception. We've been an inbound marketing agency since day one. So is ABM a supplement to inbound, or a replacement?

Your first instinct might be that ABM and inbound don't really overlap. Inbound marketing is all about setting up marketing that's designed to help your prospects as they do their research and work toward making a decision, slowly building expertise and nurturing leads over time. ABM, on the other



More than three-quarters of marketers are using an inbound marketing strategy.

hand, is about reaching out to clients who may not even be looking for your product. But ABM and inbound marketing strategies can mesh together well, if applied properly.

Creating Two Lead Funnels

A lot of B2B companies work on multiple tiers of business. You might have thousands of small clients and half a dozen huge ones, and there's no rule that you have to acquire them all in the same way. With a purely inbound strategy, you might bring in a lot of small customers, but you'll only snare one lead at a big company — and that big company has eight decision-makers that need to be on board before you'll sign them. An inbound strategy isn't targeted enough or personal enough to bring a big client into the fold, and an ABM strategy isn't broad enough to generate enough lead volume among the smaller clients.

Your Funnels Can Complement Each Other

If you're segmenting and targeting your inbound strategy properly, there's a good chance that you'll make contact with someone at one of your target companies. Let's say you sell retail database software, and you're trying to land a big chain company like Safeway.

With traditional inbound marketing, you'll hopefully be able to get your materials in front of lots of people in the right industry, whether it's through paid search, SEO optimization, or maybe LinkedIn ads. Let's say you get lucky and catch the attention of John Smith, who oversees all Safeway operations in the Mountain West region.

That's already a huge step. Making contact is one of the hard parts of an ABM strategy — finding the right people to talk to and figuring out how to get in touch with them is one of the biggest stumbling blocks. But John Smith isn't the only guy in charge. You'll need to convince the other regional supervisors, the c-suite execs, and maybe even the board that your product is the best.

If you already have an account-based marketing strategy in place, you'll

have the materials at hand as soon as you get a lead. As soon as you see John's name, your CRM will flag him as a key person on one of your target accounts. You've already prepared whitepapers, emails, and even landing pages that are built just for Safeway execs, from the language to the imagery.

Since you built an ABM strategy ahead of time, you can jump in with your usual ABM strategies as soon as you get the opportunity. Even better: your inbound efforts might bring in a lead to a company that wasn't even on your list, giving you an ABM target that you didn't even know you wanted.

Your Content Works for Both

[Inbound marketing relies entirely on content](#) — you generate useful, relevant, informative content that helps nudge your visitors down the funnel toward making a purchase decision. And even though ABM uses a more outreach-based strategy, it still relies on content.

When you reach out to the target companies on your list to initiate an account-based marketing strategy, you'll need content to make your pitch to those companies. After all, you have to convince the decision-makers at these companies that your product can solve their problems, make their lives easier, save them money, and whatever else you bring to the table. The same content that informs your ABM contacts can also be optimized to bring in search traffic to your website — serving multiple purposes with one piece of writing.

Chapter Five: Account-Based Advertising

One person isn't likely to be the sole decision-maker at any big company. You'll have to find six to eight people, make contact with all of them, and get them all on board with what your product offers before you can close the sale. Account-based advertising (ABA) is essentially the same concept as ABM, but it involves using extremely targeted advertising to reach the right people at the right company.

How ABA Works

10 years ago, it would have been nearly impossible to serve an ad to only a handful of people. But thanks to modern technology, we can now show ads with more precision than ever before.

The first mechanism that lets you engage in account-based advertising is IP targeting. Most big companies are centralized in one or two big buildings, depending on the number of branches they have. Those buildings have easily identifiable IP addresses through which all of the company's internet traffic is routed. If you can find that IP address, you can show ads to people in that building and that building alone.

The downside is that IP targeting will show the same ads to everyone in the building, which could mean advertising to dozens or hundreds of people who don't have anything to do with the purchasing process for your product. IP targeting will also be thrown off by virtual private networks (VPNs), which are becoming more and more common — in fact, Mozilla has just announced that its Firefox browser will have a built-in browser soon.

The second option is to buy the relevant information from a third-party database. There are lots of online services that keep track of the job titles and contact info of the executives at various companies, and you can buy that contact information from them directly. With the right contacts, you can send emails and serve ads to exactly the people that will be most interested.

The problem with buying contact information from a third-party broker is that you can't know how accurate it is. Data decay is a real concern — [up to 70 percent of B2B contact information is out of date within a year of acquiring it](#) — and if you pay for outdated information, you'll just be wasting your money and your time. Employing a CRM can help you track how old your information is, whether you got a response when you reached out, and how reliable your databases have been. You can even combine the two, cross-checking IP addresses against broker data, but there's no system that's guaranteed to give you completely reliable information.

The most popular approach is social media. Facebook and LinkedIn allow you to conduct advanced searches by company, location, job title, and dozens of other criteria. Assuming people are keeping their job info up to date, you can easily find the right people at the right companies to deliver ads and other relevant content.

The Benefits of ABA

There's a lot to love about account-based advertising. If applied properly, it can be an extremely rewarding and lucrative strategy for any B2B company.

First of all, it's proactive rather than reactive. Most advertising isn't served until the target expresses some interest in your company. Google Ads don't show up until the person searches for your product. Banner ads don't appear until the person visits your site. Facebook ads don't appear until the Facebook pixel is triggered. If an executive isn't looking for anything related to your product, they'll probably never see an ad for it.

ABA takes the opposite approach. Rather than waiting for your targets to express an interest in your company or stumble across your site on their own, you can find them where they browse and serve them content that meets their exact needs.

ABA is also a great complement to email marketing. [The average office worker receives more than 120 emails every day](#). Even if they were spending their whole day on email (and they aren't), they wouldn't have time to pay attention to all of them. Email marketing can still be a great way to keep in touch with people, but it's hard to get noticed in the crowd.

Advertising doesn't demand that someone take extra time out of their day. Instead, it supplements your inbound strategy, allowing you to unobtrusively reach your audience on the sites they're already visiting. A targeted ABA strategy gets your name, your brand, and your message in front of the people who actually want to work with you, and they don't even have to open an email.

Account-Based Marketing Is the Perfect Supplement to Your B2B Marketing

ABM doesn't have to be a standalone marketing strategy — there's no reason you can't target both large numbers of small accounts and the few specific large accounts that would make a huge difference for your business. If you're in a B2B industry, ABM can be a hugely lucrative supplement to the marketing campaigns you're already running. Whether you're just learning about ABM or you're firmly entrenched in this world, it's time to take your marketing game to the next level.