

#### Introduction

The recent rise of account-based marketing (ABM) is nothing short of remarkable. From a special initiative that a handful of B2B pioneers developed to drive growth with top accounts in the early 2000s, ABM is now a mainstream strategy that companies are implementing with hundreds or even thousands of accounts with a wide range of programs and objectives.

This research report highlights the main reason for such dramatic growth: ABM works! In fact, as the report shows, a full 87% of marketers implementing ABM say that it provides higher ROI than any other type of marketing. Similarly, strong majorities say that ABM drives improvement in the "Three R's" of strategic marketing: Reputation, Relationships, and Revenue.

More generally, the report provides an essential review of the current state of play with ABM, with data and insight on such issues as budgets and staffing, account selection, collaboration with sales, tools and technology, campaign tactics, programmatic challenges, and, of course, business benefits.

In conducting the research, ITSMA and the ABM Leadership Alliance also focused on the three distinct types of ABM that have emerged in recent years: One-to-One, One-to-Few, and One-to-Many. Most companies are currently engaged in just one of these types, but a growing number are experimenting with two of them, and many more plan to move to a blended strategy over the next few years. The research underscores the key challenges marketers are facing and the specific ways they are addressing them.

The report is certainly not the last word in ABM; it's a fast-changing discipline and practitioners are still just scratching the surface of its full potential as a business strategy and approach. Please join the conversation by adding your questions, comments, and experiences to the mix. We look forward to talking soon!

Julie Schwartz, on behalf of ITSMA and the ABM Leadership Alliance

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### Key Takeaways: Getting the most from your ABM initiative

### Invest in ABM; it's worth it!

- Make a long-term commitment; ABM results improve with experience
- Allocate budget even if that means stopping other marketing programs; ABM ROI is higher when compared to traditional marketing

### Optimize results with a blended approach

- Understand the role each type of ABM can play in supporting key business objectives: segment accounts and initiatives accordingly
- Broaden and deepen your programs in lockstep with sales to ensure coverage and an integrated approach

### Collaborate actively with sales

- Define program
   objectives and
   approaches together;
   review plans and results
   on a regular basis
- Collaborate on account selection, insight, and the development of "plays" (offers) for target accounts
- Build and implement integrated campaigns, not separate or parallel initiatives

### Invest wisely in tools and technology

- Focus first on core tools for account insight, campaign execution, metrics, and relationship management
- Focus next on process improvement to:
  - Improve efficiencies
- Ensure adoption and know-how
- Facilitate marketing asset reuse
- Leverage new tools to deepen insight, extend coverage, increase automation, and improve personalization

### Balance online and and offline tactics

- Digital is essential but most B2B selling still requires personal interaction
- Tailor multi-tactic campaigns based on account-specific insight and content
- Leverage digital to maximize the impact of offline tactics such as events

#### About the Research

#### Web-Based Survey



Survey invitations were emailed during June 2017 to ITSMA member companies and ABM Leadership Alliance contacts

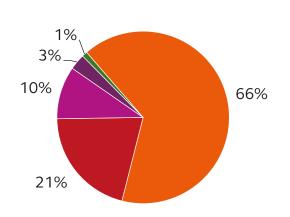


Primarily marketers at B2B technology and business services companies completed the survey



Unique companies represented





#### **Qualitative Interviews**



- Betterworks
- Deluxe
- Fujitsu\*
- HCL
- Juniper Networks, Inc.\*
- KPMG LLP\*
- Localytics

- NTT DATA Services\*
- O2
- Oracle
- SAP\*
- Global B2B Information Services Company

#### ITSMA and ABM Leadership Alliance Survey Participants\*\*



 $<sup>^{\</sup>star}$  Denotes member of the ITSMA Account-Based Marketing Council

#### **ABM** Definition

Defining account-based marketing is not for the faint of heart! As the approach has taken off, so too have the number of definitions. Even the sponsors of this research have used different definitions in the past.

For the purpose of this report, and with the hope of helping marketers rally around a common definition, we agree on the following:

Account-based marketing (ABM) is a strategic approach to designing and executing highly-targeted, personalized marketing programs and initiatives to drive business growth and impact with specific, named accounts.

#### Core principles for ABM include:

- Strategic focus on improving business reputation, relationships, and revenue
- Tight partnership and collaboration with sales
- Tailored and custom programs and initiatives based on deep client insight



### Detailed Findings

### B2B marketers are finding great success with ABM

"We've proven that ABM is a successful part of what we do in marketing. Without ABM we'd be struggling to achieve our KPIs. So ABM is kind of a hero."

Andrea Clatworthy, Head of Account Based and Deal Based Marketing, EMEIA, Fujitsu

of companies say

ABM delivers higher ROI

than other types of marketing

(N=55)

"We recognized that our marketing spend was inefficient and lead volume wasn't a valuable metric for us anymore. We knew there had to be a different way, a better way. That's when we had the idea to take an account-based approach. With our first pilot, we achieved a 36% account-to-meeting conversion rate!"

Lisa Skinner, Vice President, Demand Generation, Localytics

"As opposed to mass marketing, ABM works because it's so targeted and strategic. It keeps our sales channels focused on the end results because we have really long sales cycles."

Marketing Director, ABM, Global B2B Information Services Company

### A majority of marketers report improvement in the Three R's of strategic marketing

% reporting improvement from ABM

84%

/ 4%

69%

Reputation

(Brand perception, awareness, and knowledge)

Relationships (Number of relationships across accounts)

(Annual revenue per account)

Revenue

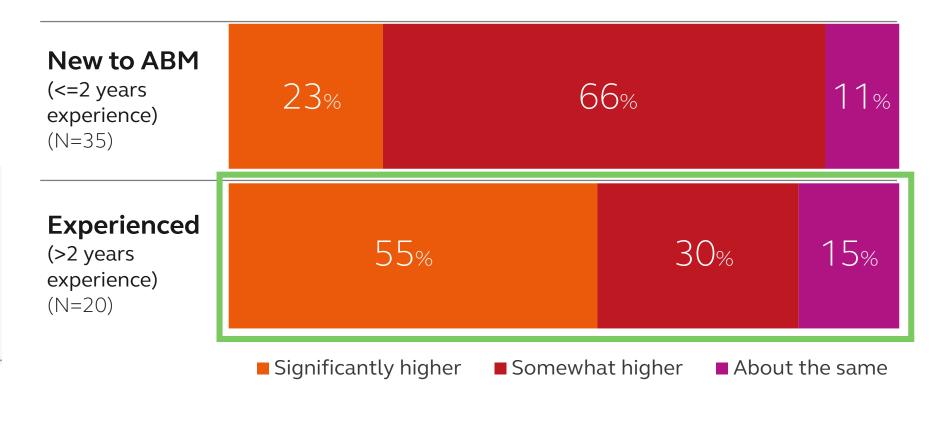
N~49

### ABM is a long-term game; business results improve with experience

How does ABM return on investment (ROI) compare to traditional marketing initiatives? % of respondents

"ABM contributes directly to building and nurturing the right customer relationships and contributes to the growth of the firm via a larger pipeline and increased revenue. The partners see the ABM-er as a strategic adviser on the account, contributing to long-term account growth."

Julie Johnson, Executive Director, Markets & Accounts, KPMG

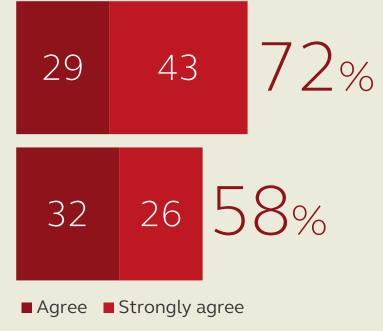


Note: Differences are statistically significant.

## The benefits of ABM extend across all of marketing, and beyond

The principles of ABM are influencing the way we do all our marketing today

ABM is playing a major role in making our entire company more customer centric



"We're expanding ABM to make Oracle more relevant at the very earliest research stages of the buying cycle, through evaluation, selection, and purchase and then into recommendation via a relationship where the customer is happy to co-create a vision of success. This is laying the foundations for them to become advocates. An advocate in today's market is more valuable than a reference story."

Michael Avis, Senior Director, Account Based Marketing & Key Accounts, Oracle EMEA Marketing

"While you may feel that a standard proposition or positioning statement can carry a message to the account, those days are over. ABM has made us aware that each client and every opportunity within the client ecosystem is unique. There has been a cultural change around that in a big way."

Abhishek Mendiratta, Sr. Director, Marketing & Demand Generation, HCL America

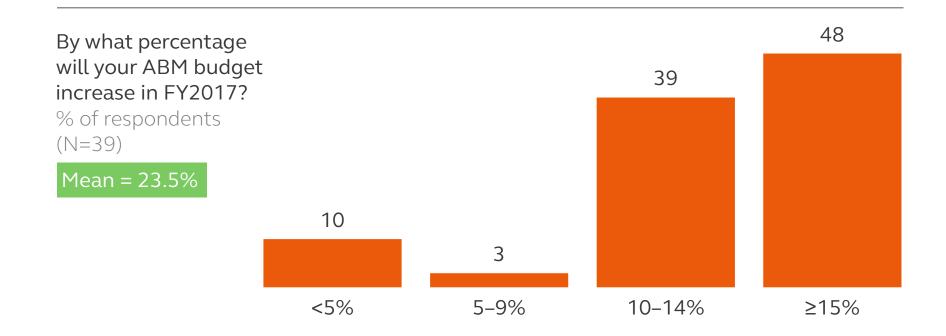
"ABM is an integral part of our marketing strategy and is becoming increasingly important as we leverage new insights to be more targeted in how we deploy our resources to capitalize on opportunities."

Raianne Reiss, Director, Americas Marketing, Juniper

% of respondents who agree and strongly agree with the statement (N=72) Source: ITSMA and ABM Leadership Alliance Account-Based Marketing Benchmarking Survey, July 2017 ABM success is driving demand for increased investment

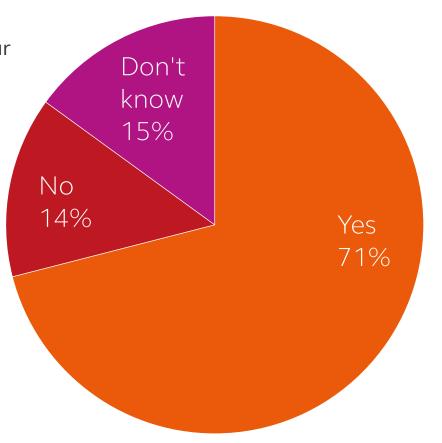
of the marketing budget dedicated to ABM (N=44)

of companies will increase their ABM budget in FY2017 (N=68)



### Most marketers are planning to extend ABM program coverage

In the next 12 months, are you planning on scaling your ABM programs to cover more accounts?
% of respondents
(N=72)



"The business is seeing success with ABM and the feedback is positive. Leadership wants to know: How do we scale ABM effectively? Where can we leverage the marketing team resources to target more accounts?"

Amy Craven, Team Lead, Account-Based Marketing Program Office, North America Marketing, SAP

### ABM scale will come largely from tools, technology, and a blended ABM strategy

What approach are you taking to scale your ABM programs? % of respondents (N=51)

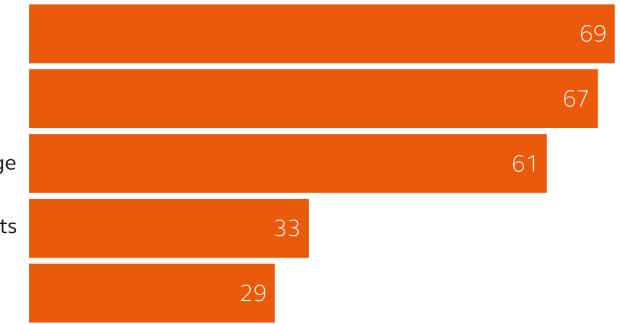
Developing tools and templates to facilitate reuse and best-practice sharing

Adopting a blended approach using more than one type of ABM to cover more accounts

Adding technology to automate and create more leverage

Adding more marketing resources to cover more accounts

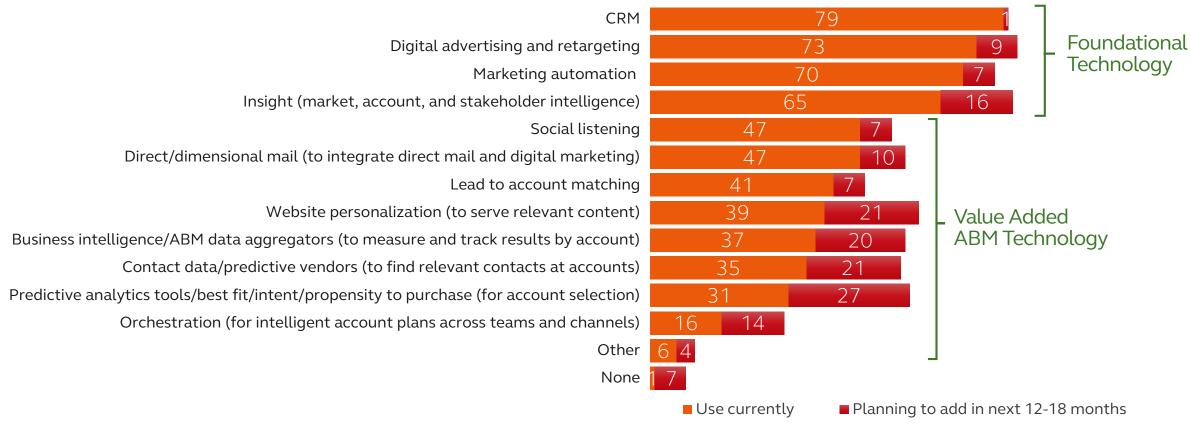
Having existing marketers cover more accounts



Note: Multiple responses allowed.

### We're still early in the adoption of ABM-focused systems and technology

Which types of technology platforms are you using currently/planning to add to your ABM technology stack in the next 12 to 18 months? % of respondents (N=71)



Note: Multiple responses allowed.

Marketers are focusing on core tools for account insight, campaign execution, metrics, and relationship management

"We are testing the waters with certain emerging technologies, but this is an area in which we are pushing our ABM-ers to experiment more. We're just scratching the surface of what marketing technology can do to facilitate and strengthen relationships with our clients for mutual value." Craig Rones, Vice President, Marketing, NTT DATA Services

"We've built quite a rigorous dashboard and an attribution model. We are currently doing some pilots to create additional personalized experiences for our customers, but I would say we are too early to report any results." Stephanie Deane, Head of Marketing, ABM and Advocacy, O2 Business

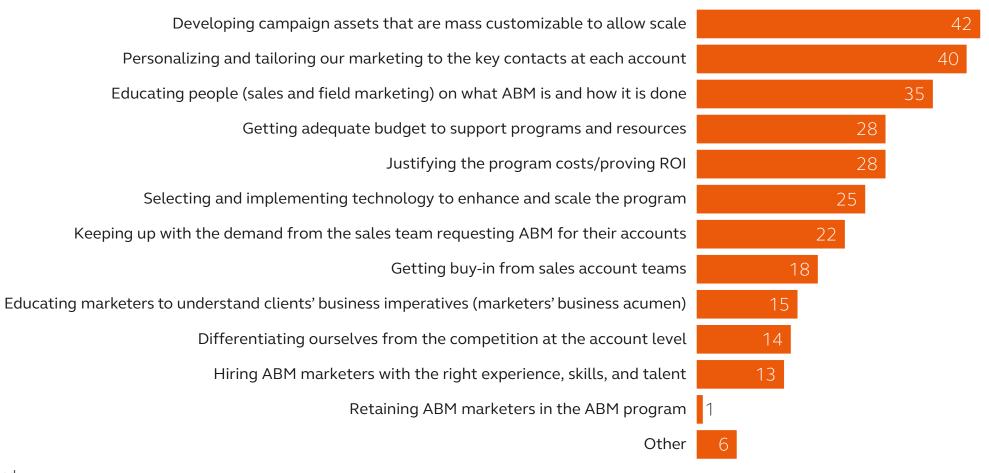
"We are 100% One-to-One ABM, but we're starting to think about how we do One-to-Few and One-to-Many ABM. We're implementing marketing automation this year, which will enable us to expand our account coverage via other forms of ABM."

Andrea Clatworthy, Head of Account Based and Deal Based Marketing, EMEIA, Fujitsu

"This year, we have begun a 'digital first' strategy in ABM to transform the way we engage with our customers, determine how we invest and measure success, and leverage technologies to help us scale." Raianne Reiss, Director, Americas Marketing, Juniper

### Common challenges include developing the right assets, tailoring approaches, and educating the organization

What are the top three challenges you face in your ABM programs? % of respondents (N=72)



Note: Up to three responses allowed.

### ABM marketers are aggressively addressing their challenges and making headway

### Developing campaign assets that are mass customizable to allow scale

"Content creation, dissemination, and maintenance pose challenges and opportunities. We have created a mobile app across industry verticals, and our ABM accounts within them, to provide all collaborators easy access to our ABM framework and the bespoke content."

Abhishek Mendiratta, Sr. Director, Marketing & Demand Generation, HCL America

"Our first line of defense is always to make sure that if someone's already doing something that we can leverage, we start there first and not build something new."

Amy Craven, Team Lead, Account-Based Marketing Program Office, North America Marketing, SAP

"We have corporate and campaign teams that deliver great content, but ABM customers are often at the bleeding edge and their content needs are ahead of a typical campaign timeline. To be relevant, we need content that helps these customers think about issues in a new way and this content is often in the heads of our thought leaders. This is why live events are a popular tool in ABM."

Raianne Reiss, Director, Americas Marketing, Juniper

Personalizing and tailoring our marketing to the key contacts at each account

Educating
people (sales
and field
marketing) on
what ABM is and
how it is done

"We need to tailor our content so we do a lot of A/B testing. We see which personas respond to what kind of content. We measure everything, and then show more of that type of content to those types of people."

Masha Finkelstein, Director, Demand Generation, BetterWorks

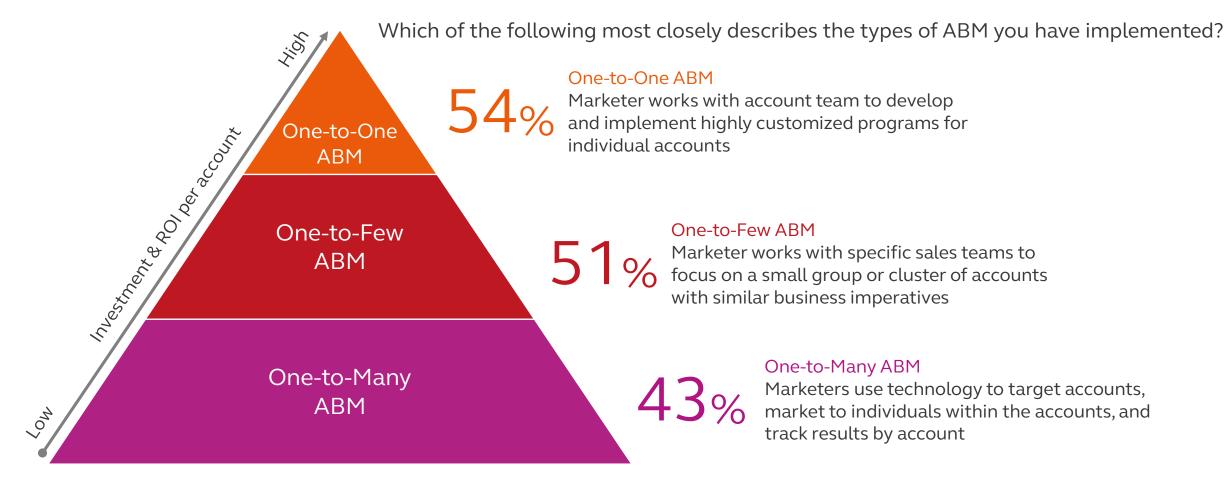
"ABM marketers work very closely with the campaign planning, demand generation, and events teams. They also work closely with the brand teams to create a unique theme or message for each of our One-to-One ABM accounts."

Abhishek Mendiratta, Sr. Director, Marketing & Demand Generation, HCL America

"You have to raise awareness. One of the things I'm doing this year is rolling out web-based ABM training for general marketing and another course for others in the company. The goal is to get the essence of ABM across to them so they can start thinking about and adopting some of the successful techniques."

Andrea Clatworthy, Head of Account Based and Deal Based Marketing, EMEIA, Fujitsu

### Three distinct types of ABM have emerged among B2B marketers



Note: Multiple responses allowed. (N=82)

### There are important differences in the three ABM approaches, but also **similarities**

	One-to-One ABM	One-to-Few ABM	One-to-Many ABM
Account Selection Criteria	<ul> <li>Potential for growth within the account</li> <li>Sales teams/account executive receptivity</li> <li>The value of the business currently being done with the account</li> </ul>	<ul> <li>Potential for growth within the account</li> <li>Vertical market or sub-industry</li> <li>Sales teams/account executive receptivity</li> <li>The value of the business currently being done with the account</li> </ul>	<ul><li>Vertical market or sub-industry</li><li>Size of company</li></ul>
Top Areas of Marketing and Sales Collaboration	<ul> <li>Building insight into what is driving the account</li> <li>Deciding which 'plays' (offers) to take into the account</li> <li>Developing targeted value propositions</li> </ul>	<ul> <li>Building insight into what is driving the account</li> <li>Deciding which 'plays' (offers) to take into the account</li> </ul>	<ul> <li>Measuring success</li> <li>Designing integrated sales and marketing programs (campaigns and tactics)</li> <li>Deciding which 'plays' (offers) to take into the account</li> <li>Developing targeted value propositions</li> </ul>
Funding Source	Corporate marketing, field marketing, sales	Corporate marketing, field marketing	Corporate marketing
Top Marketing Tactics	<ul> <li>Account-specific (bespoke) thought leadership</li> <li>Innovation days</li> <li>Executive engagement plans</li> <li>One-on-one, face-to-face meetings</li> </ul>	<ul> <li>Email marketing</li> <li>Account-specific (bespoke) thought leadership</li> <li>Roadshows/events</li> </ul>	<ul> <li>Email marketing</li> <li>Reverse IP/targeted digital ads/content/retargeting</li> <li>Roadshows/events</li> </ul>
Top 5 Metrics	<ul> <li>Pipeline growth</li> <li>Revenue growth</li> <li>Sales feedback/satisfaction</li> <li>Total revenue tied directly to ABM initiatives</li> <li>Return on the ABM account investment</li> </ul>	<ul> <li>Pipeline growth</li> <li>Revenue growth</li> <li>Engagement</li> <li>Win rate/number of deals closed</li> <li>Return on the ABM account investment</li> </ul>	<ul> <li>Pipeline growth</li> <li>Win rate/number of deals closed</li> <li>Return on the ABM account investment</li> <li>Total revenue tied directly to One-to-Many ABM initiatives</li> <li>Engagement</li> </ul>

### Approaches to account selection vary by type of ABM and across companies



"It's important to prioritize which accounts to spend the most time and energy on. We look at two main things:

- Transformation potential—we use intent data in combination with account team insight
- Account Team relationship—our ability to execute successfully with the account team"

Michael Avis, Senior Director, Account Based Marketing & Key Accounts, Oracle EMEA Marketing



One-to-Few ABM



"The selection criteria changes as we learn and get more experience, but it's based on what we know works:

- How the account perceives us
- Relevance of our offers to the account (e.g., are they an early adopter of technology?)
- Geographic location of the decisionmaking hierarchy (e.g., within the UK)"

Stephanie Deane, Head of Marketing, ABM and Advocacy, O2 Business



One-to-Many ABM



"The initial target account list came directly from sales. Now we are adding signal intent. We'll use artificial intelligence (AI) to see:

- Who the people are and what they are doing on the web, such as keyword search and the articles that they're browsing
- Who is researching right now
- Account demographics: which accounts and people who resemble our current customers"

Masha Finkelstein, Director, Demand Generation, BetterWorks



### Collaborating with sales is essential to success for all three types of ABM

"With One-to-One ABM, the marketers are members of the account team. We're on the calls. It often takes time to first earn that trust with sales to get us to the point where we're talking with customers."

Amy Craven, Team Lead, Account-Based Marketing Program Office, North America Marketing, SAP

"When we first started One-to-Many ABM, it was definitely a marketing initiative. When we moved to round two, we selected accounts with sales. Now for any marketing programs or money spent, we are totally in lock-step with the sales organization." Lisa Skinner, Vice President, Demand Generation, Localytics

"Our salespeople really like having the support. I think many times salespeople feel like they go to marketing and they're just told, 'No, no, no.' That's all changed with ABM. Now sales says, 'You guys are the only group that says yes.'"

Marketing Director, ABM, Global B2B Information Services Company

"In the historic model, even though we thought we worked closely with sales, it was a hand-off. We sent them leads from Salesforce and wished them luck. With ABM, we work hand-inhand at all stages of the buying process."

Edwin Van Riessen, Director, Demand Generation, Deluxe Corporation

"For the One-to-One ABM, marketing carries the head count and the program spend sits within the account P&Ls. This helps us align our investments and focus our efforts where they can drive the greatest impact. And it ensures that everyone has skin in the game, which makes for a much tighter, stronger, and more cohesive approach to our clients, moving beyond just collaboration into true partnership across marketing and sales." Craig Rones, Vice President, Marketing, NTT DATA Services

"ABM is 100% funded by marketing. This is something that I am working on because marketing only has so much budget. The business appetite is huge and they want to grow the program. Also, to be a truly equal partnership between sales and marketing, it needs to be co-funded."

Stephanie Deane, Head of Marketing, ABM and Advocacy, O2 Business

### The top marketing tactics for ABM are a mix of online and offline programs



- Account-specific (bespoke)
   thought leadership
- Innovation days
- Executive engagement plans
- One-on-one, face-to-face meetings



- Email marketing
- Account-specific (bespoke)
   thought leadership
- Roadshows/events



- Email marketing
- Reverse IP/targeted digital ads/ content/retargeting
- Roadshows/events

# The most common ABM marketing metrics are pipeline growth, revenue, return on the ABM account investment, and engagement

"As we've evolved, we've become much crisper in how we track and measure the impact and effectiveness of ABM through three primary, objective metrics:

- Revenue growth
- Pipeline creation and acceleration
- Contract signings"

Craig Rones, Vice President, Marketing, NTT DATA Services

"We will conduct an end-of-year assessment of how many deals closed at the companies in the program, new revenue, and ABM ROI.

- One-to-One ABM: We generally have several tactics in motion throughout the sales cycle so we can more accurately attribute success of the deal to ABM
- One-to-Few ABM: We typically deploy fewer, broader tactics that help move the needle, but are harder to track back to ABM. We may focus on opening a new door or helping build a relationship. We still track new revenue and ROI, but the ties seem a bit looser

For all kinds of ABM, we do a quarterly survey of our sales channel to gauge their satisfaction."

Marketing Director, ABM, Global B2B Information Services Company

"In the early stages after we launched account-based marketing, people would ask us, 'How's it going?' We needed something that showed early traction. We couldn't wait until the sales accepted leads turned into revenue. That is why we created the engagement score—lead scores in Marketo rolled up at the account level."

Edwin Van Riessen, Director, Demand Generation, Deluxe Corporation

"Essentially, it's the number of C-level meetings and pipeline generated according to our attribution model. These are our ultimate objectives."

Stephanie Deane, Head of Marketing, ABM and Advocacy, O2 Business

### Many companies are on the path toward a blended ABM strategy

#### ORACLE

"Like many companies, we segment our market and have a classic pyramid with key accounts at the top and the volume-market towards the bottom.

We're getting smarter as an organization on using appropriate forms of ABM on that pyramid. ABM can manifest itself in different ways, according to which customers you're trying to reach."

Michael Avis, Senior Director, Account Based Marketing & Key Accounts, Oracle EMEA Marketing



"The initial mandate was to build an account-based marketing plan that would help generate more partnership-level reference accounts.

Because we had such great results they asked us to bump the program up from 8 accounts to 110. The way to do that was to create the next tier on a sector-rather than an account-level. 80% is consistent across the sector with only 20% customized."

Stephanie Deane, Head of Marketing, ABM and Advocacy, O2 Business

#### **:::**BetterWorks™

"We started with a list of the Fortune 1000 accounts. The goal was to identify accounts that are more likely to convert and become our customers using AI and predictive analytics.

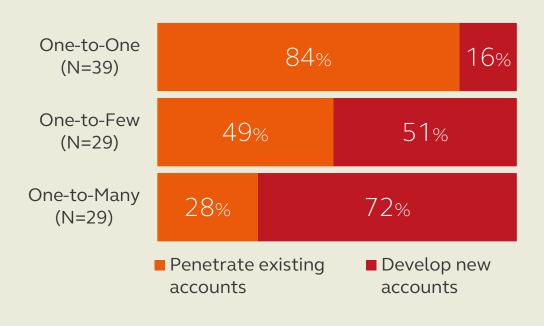
Right now we only do one-to-one marketing on request. Sales will come to us and ask if we can do something to help move a prospect along. We suggest ideas and execute."

Masha Finkelstein, Director, Demand Generation, BetterWorks



### With a blended approach, marketers have all their bases covered

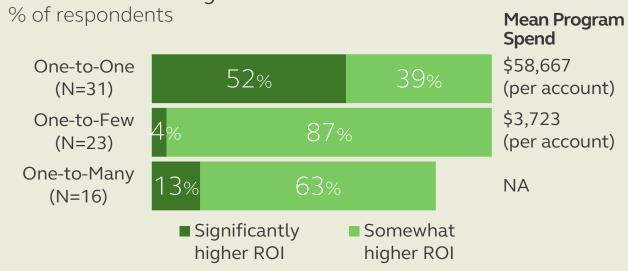
**Business Objectives:** What is the distribution of your ABM accounts by primary objective? % of accounts



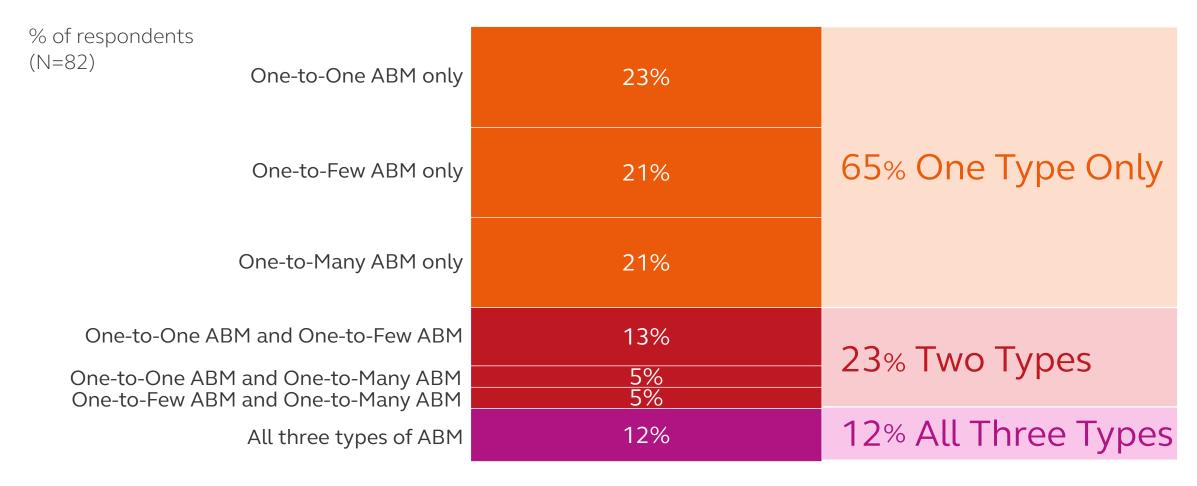
Scale and Coverage: Median number of accounts in the program

One-to-One ABM	One-to-Few ABM	One-to-Many ABM
13	50	725

**Price Points and Return:** How does ABM ROI compare to **traditional** marketing initiatives?

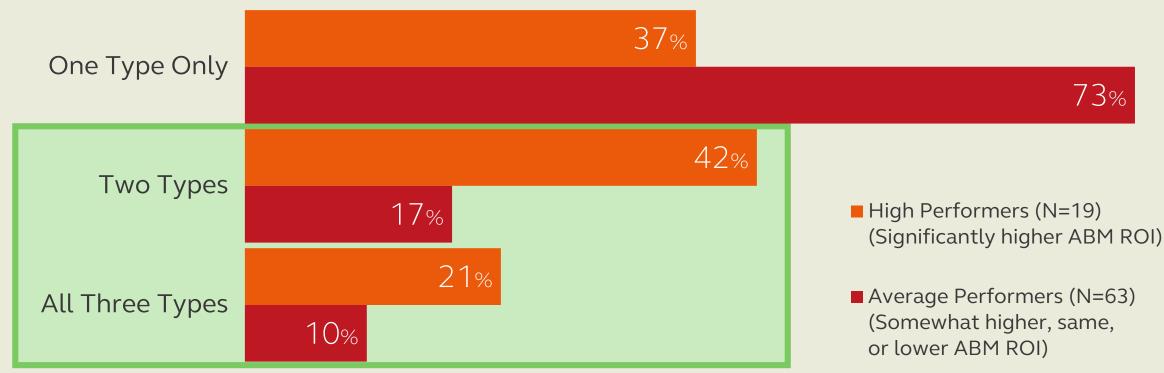


### Despite the growing trend, most companies have not yet implemented more than one type of ABM



### High performing ABM marketing organizations are more likely to follow a blended approach

% of respondents



Note: Differences are statistically significant.

High performing organizations are those that are seeing ABM deliver significantly higher ROI than for other types of marketing

### Recap: How to Get the most from your ABM initiative

### Invest in ABM; it's worth it!

- Make a long-term commitment; ABM results improve with experience
- Allocate budget even if that means stopping other marketing programs; ABM ROI is higher when compared to traditional marketing

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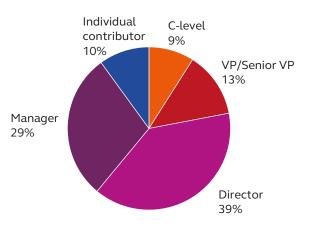
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- Digital is essential but most B2B selling still requires personal interaction
- Tailor multi-tactic campaigns based on account-specific insight and content
- Leverage digital to maximize the impact of offline tactics such as events

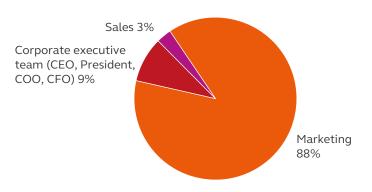


### Participant Demographics

#### Which of the following best describes your job title or level?



#### Which of the following best describes your job role?



#### What was your company's annual revenue in 2016?





\*Storage, semiconductor

capital equipment, office equipment, test and

measurement, industrial

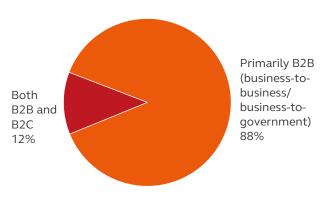
automation



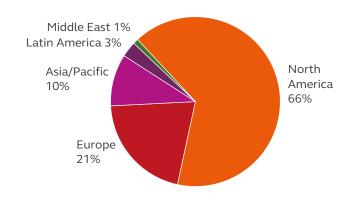
#### ■ Other

- Other technology hardware systems and solutions\*
- Outsourcing (technology/ business process)
- Healthcare
- Telecommunications and network systems/solutions
- Computer systems and solutions
- IT professional services/consulting
- Business services
- Software solutions

#### Customer Focus: Which of the following best describes your organization?



#### Where are you physically located?



% of respondents (N=159) | Source: ITSMA and ABM Leadership Alliance Account-Based Marketing Benchmarking Survey, July 2017

### About ITSMA and the ABM Leadership Alliance

For more than 20 years, ITSMA has led the way in defining, building, and inspiring B2B services marketing excellence. With a dedicated focus on services and solutions for the connected economy, we provide our corporate member community with insight, advice, and hands-on help to strengthen reputation, increase revenue, and deepen customer relationships.

ITSMA pioneered the concept of account-based marketing in 2003 to help marketers stop generic sales pitches and zero in on the essential needs of their most important clients.



The ABM Leadership Alliance unites industry-leading

technology partners to educate B2B marketers about how developing and deploying an ABM strategy can help them close bigger deals with target accounts and increase pipeline velocity.

Members include Demandbase, Bizible, Certain, Engagio, LookBookHQ, Optimizely, Radius, and Salesforce.

#### More info

- ITSMA.com
- abmleadershipalliance.com

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