

PREDICTIVE PLAYBOOK:

How to Sharpen Targeting with Micro-Segmentation



Welcome to the Predictive Toolbox

In today's digital world, B2B marketers are tasked with major challenges like understanding dynamic customers, increasing pipeline quantity and quality, and boosting campaign ROI. The ever increasing "noise" in the digital space and the renewed focus on marketing ROI has highlighted the need for greater transparency into your go-to-market insights, top accounts, and acquisition strategy.

Marketers find themselves asking important questions about their audience as they invest in technologies and tools to gather better insights and better data. We believe Predictive is the answer.

But one of the most common questions we've received is:

"How do you use Predictive in B2B marketing?"

That's why we created the Predictive Toolbox featuring various playbooks.

Put simply, a Predictive playbook is a practitioner-level guide designed to help marketers understand how they can use Predictive for a specific marketing use case.

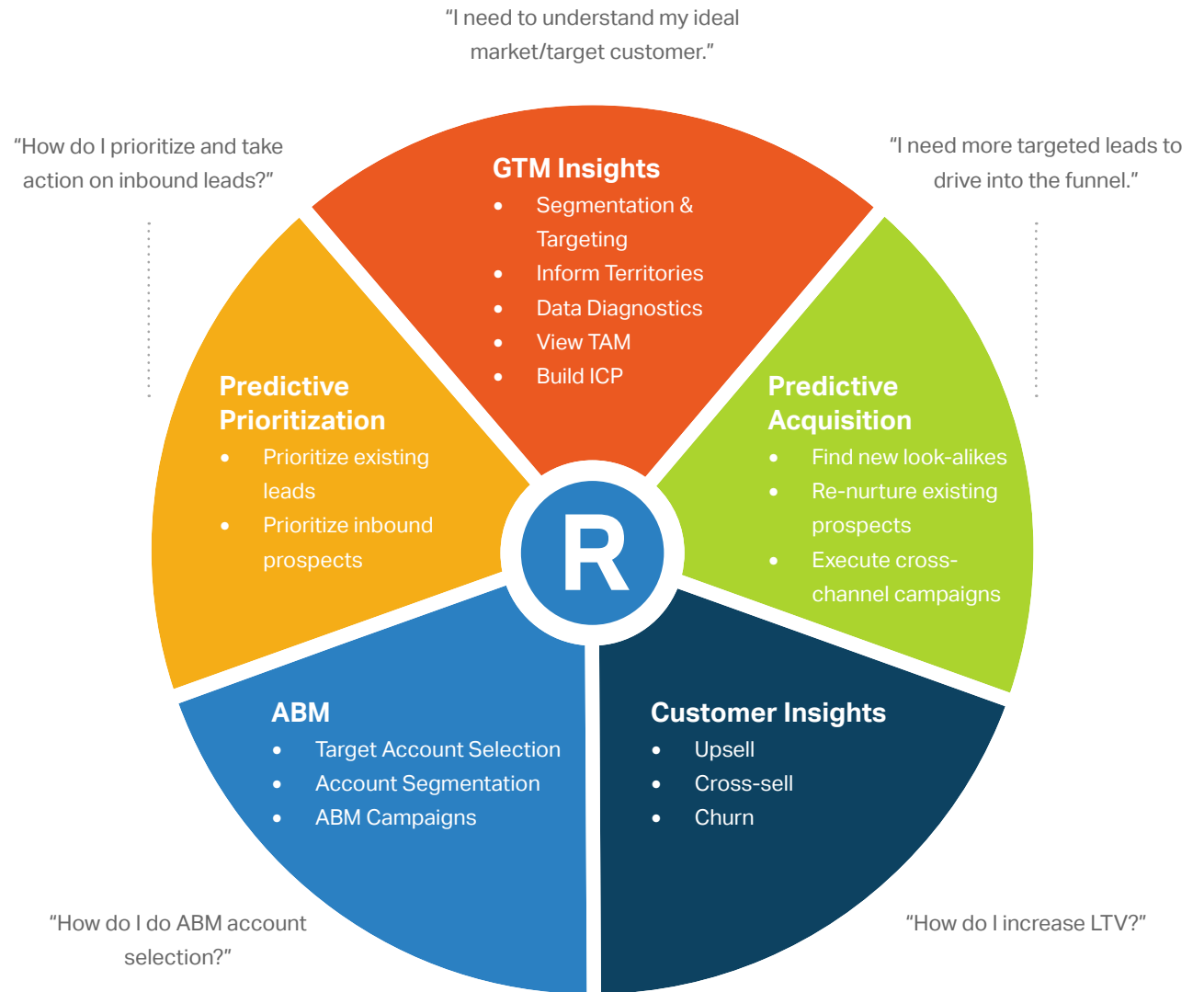


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Introduction

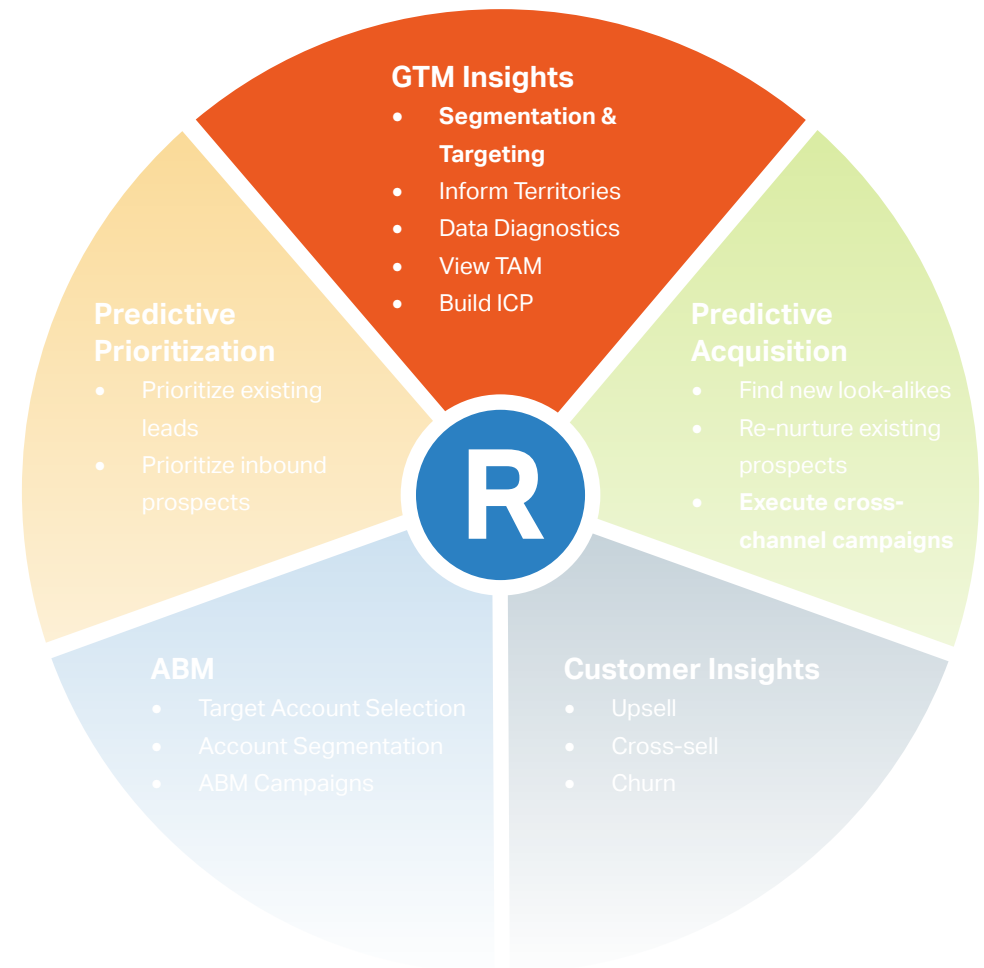
No B2B marketer would deny that the sweet spot they aim for with demand generation programs is to target the buyers who are most likely to buy; given the capabilities the products enable in relation to their customers' needs.

As intuitive as this may seem, many marketers are resistant, afraid they'll miss opportunities if they exclude anyone from their demand generation efforts. But once you realize that marketing to everyone is synonymous with marketing to no one, the challenge becomes being able to sharpen your focus to improve demand generation performance.

This is where segmentation and targeting come into play.

By reading this playbook, you will be able to:

- Clearly define modern segmentation
- Understand the impact of segmentation on company strategy and marketing ROI
- Leverage customer insights from your segments
- Apply segmentation for B2B demand generation campaigns
- Create a target segment for your marketing efforts



Part 1:

What is segmentation
and targeting?

Segmentation defined

Segmentation in B2B marketing is defined as...

A strategic approach to finely tune groups of target markets based on commonalities representative of your ideal customers

The goal is to divide markets or customers into distinct groups with common needs and characteristics, which provides a deeper understanding of both current and potential customers. By addressing a segment of buyers who have common pain points and needs, as well as attributes and buying signals, marketers are able to proactively engage buyers and accounts with the highest propensity to convert.

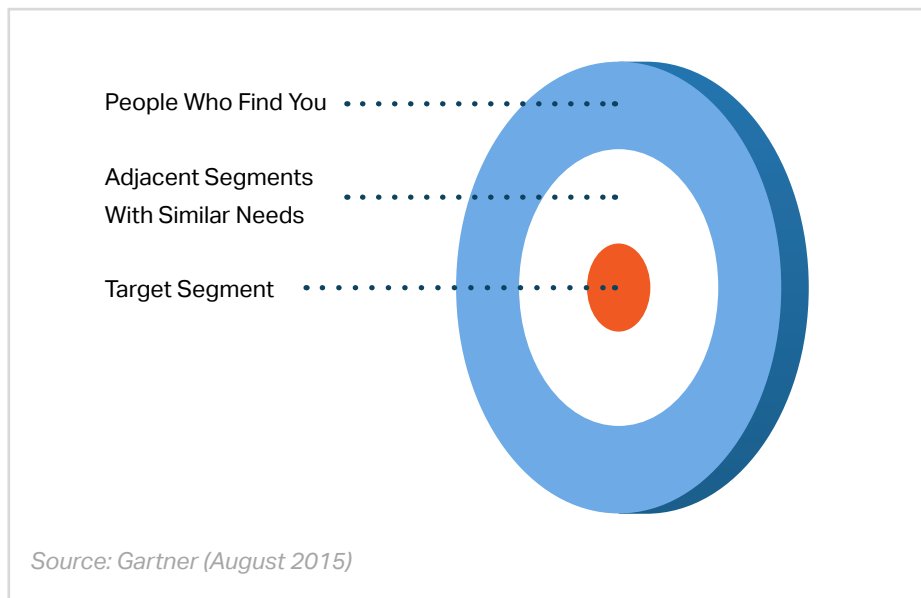
Role of target segments in marketing

When you mention segmentation, there's usually a fear of "missing out" on opportunities that might be available outside the target segments. But that's not true.

Gartner breaks down segmentation and how it relates to marketing as an archery target.

Think of the bull's-eye as your target segment or ideal customer profile (ICP), which is where marketing will primarily focus their efforts. The next ring is prospects that fall into segments which have similar characteristics to the core segments. Lastly, the outer ring is buyers that find your business.

Figure 1. The Segmentation Target Model



The goal with segmentation is for **marketing to focus their efforts primarily on the core target segment**. There will be opportunities worth pursuing outside of your target segments, but marketing and sales will not invest significant time or resources into campaigns that attract these prospects. If your organization follows an account-based marketing strategy, think of your 'target segment' as your Tier A accounts.

It's important to note that while marketers will not focus on the outer rings, prospects that fall into all 3 rings are relevant opportunities i.e. they fall "on the target", but the focus (and investment) is primarily on the target segment.

Marketing challenges associated with segmentation

A few of the classic marketing challenges for organizations has been:

1) Loose Target Market Definitions

The temptation to say “everyone can use our products” – overestimating the size of your bullseye.

Your addressable market may be very large (outer rings), but your target segment must be tightly defined. McKinsey found 3 out of 4 market entries fail primarily for this reason. It takes a conscious effort to qualify accounts OUT rather than including them IN the target segment.

2) Missing Micro-Segments

Assuming everyone in your target segment is the same.

Your target segment is made up of hundreds, if not thousands, of micro-segments. Targeting your target segment as one group will not result in engagement, even if they are “perfect fits”.

Micro-segmenting your target segment will allow you to understand your customers at a much deeper level and to develop hyper-personalized campaigns. We have included examples of micro-segments later in this playbook.

3) Lack Data, Tools, and People

Don’t have the resources to define your target market or build micro-segments.

This problem spans enterprises with armies of data analysts and giant data lakes, as well as small startups. Luckily, the rest of this playbook will cover how Predictive solves this problem.

Part 2:

Why is segmentation important?

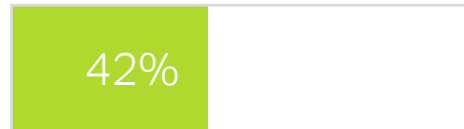
Why is segmentation important?

The growing need for segmentation is largely driven by the lack of demand generation performance in most B2B companies. According to Demand Metric:

More than **80%** of companies without effective demand gen blame data quality for ineffective marketing campaigns and sales flops.



Yet only **42%** of companies with rich data are happy with their demand gen.



 Source: Demand Metric, April 2016

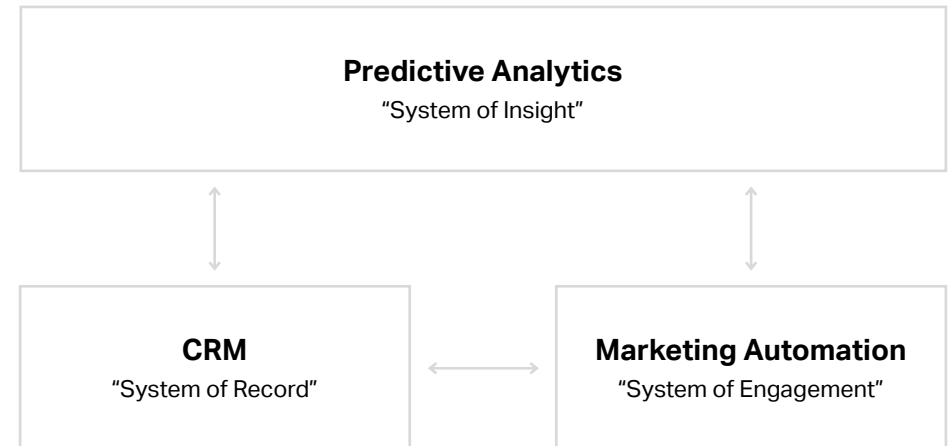
Data quality is a critical issue for marketers today, but it's not enough to just have high quality data. Marketers still need insights into their prospects, customers, and market to create more targeted campaigns that yield better results.

Segmentation with Predictive can help.

Predictive fundamentally offers two core capabilities for marketers:

1. It delivers insights from massive datasets that cannot be derived manually
2. It leverages a larger external source of data that provides more buying signals

By deriving patterns from large datasets and using additional buying signals from Predictive, marketers are able to draw granular insights into their target market, customers, and prospects which enables for more targeted, personalized efforts. This translates into better campaigns, higher conversions, and ultimately more sales.



Here's a use case example of how marketers can use Predictive segmentation to derive better insights into their prospects.

How can marketers use Predictive Segmentation

Let's look at a marketing scenario:

Imagine you're the CMO of a B2B tech company and your team shares information on your company's top accounts. You have \$1 million in budget and your goal is to decide where you want to allocate it. To make a knowledgeable decision, you have asked your team to work with operations to append data to your CRM and run reports that identify segments with the highest likelihood to convert based on past conversions from Lead-to-Opportunity.

Your team is likely to include basic information about each account including the industry, location, and number of employees.

	Account 1	Account 2	Account 3
Industry:	Finance	Finance	Insurance
Location:	San Francisco, CA	San Francisco, CA	San Francisco, CA
Employees:	250-500	250-500	250-500
Revenue:	\$50M to \$100M	\$50M to \$100M	\$50M to \$100M
Success Rate:	8%	8%	4%

After a long and difficult process, your team has identified two primary segments – Finance and Insurance – in the Bay Area with 250 to 500 employees and \$50 to \$100 million in revenue. The team also provided 3 sample accounts, as seen above.

Now armed with this information, you must make a decision.

How will you allocate your \$1 million budget? Probably 50/50 across Account 1 and 2 and no budget on Account 3, right?

What if you had a Predictive solution that could provide deeper insights from your data and also use external datasets to share more buying signals? You would end up with more detailed segments.

How can marketers use Predictive segmentation (cont'd)

As you can see from the table, your original bet of Account 1 and 2, while valid based on the original data, was not truly representative of the actual success rate of all accounts.

Using Predictive, your marketing team could have identified key buying signals that gave you a true representation of each account, which would have helped you correctly identify Account 1 and Account 3 as the best accounts with the highest likelihood to convert.

Predictive would have also helped you uncover the total number of accounts that exist in the entire segment – regardless of whether they exist in your CRM and/or marketing automation systems. This would enable you to make decisions not only based on likely success, but also on the segment opportunity size.

	Account 1	Account 2	Account 3
Industry:	Finance	Finance	Insurance
Location:	San Francisco, CA	San Francisco, CA	San Francisco, CA
Employees:	250-500	250-500	250-500
Revenue:	\$50M to \$100M	\$50M to \$100M	\$50M to \$100M
Located at HQ:	Yes	No	Yes
Using Ceridian:	Yes	No	Yes
Using Cloud CRM:	Yes	No	Yes
(Events) VP of HR - Hiring	Yes	No	Yes
Success Rate:	22%	4%	17%
New Accounts:	300 Accounts	250 Accounts	125 Accounts
Existing Accounts:	40 Accounts	50 Accounts	35 Accounts

Without this level of granularity, marketers are gambling with their company budget.

Visualizing Predictive segmentation

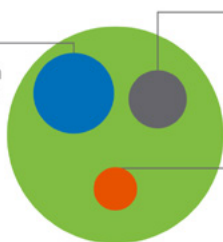
SiriusDecisions visualized segmentation similarly saying, "Predictive segmentation helps marketers discover hidden similarities between target accounts to realize opportunities for scaling messaging and tactics across segments."

Predictive Segmentation Examples

1. Achieving Precision

Segment 1a:

- Mean revenue growth trailing five years >4%
- Expansion to APAC markets within 6 months
- 5.4x lift over average Segment 1



Segment 1:
FinServ >\$100MM

Segment 1b:

- Current installed: Competitor C
- 1.7x lift over average Segment 1

Segment 1c:

- Current installed: Competitor D
- 3.5x lift over average Segment 1

2. Achieving Scale



Predictive Segment 5:

- The segment depicted in yellow consists of accounts within the other four segments that share important buying-related similarities
- 1.9x lift over average for Segments 1 through 4

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Using Predictive Segmentation to Achieve Demand Creation Precision and Scale, SiriusDecisions

What are the benefits of Predictive segmentation?

Segmentation is the foundation for great marketing campaigns because it's a process that allows marketers to target prospects with a high propensity to convert and increases conversions by using the right marketing mix. The benefits that come from employing a segmentation and targeting strategy can address many challenges that B2B marketers are currently trying to overcome, including:

Understanding your market landscape

With Predictive, you can run dynamic addressable market analysis on size, penetration, and success rates. Successful companies always look beyond their existing market success and constantly try to find new opportunities in markets that can ensure future growth.

Differentiating yourself from competitors

You can use insights for each of your specific segments to better target your prospects' needs and highlight competitive differentiators that are relevant to them. You can also mention how your company is a better choice than the competition based on each segment's needs.

Targeting your best prospects

You can also leverage look-alike targeting. You can focus your marketing investment on prospects that look similar to your current best customers. Segmentation helps you predict your best opportunities early and mobilizes marketing and sales teams to drive demand with prospective buyers.

Enabling better campaign personalization

Segmentation is a highly efficient way to plan go-to-market and expansion strategies that support your growth objectives. For example, the insights derived from segmentation enable you to craft personalized marketing campaigns tailored to each segment. This can apply to both the messaging you use and the channel through which you market.

Part 3:

3 functional areas to embed
micro-segmentation

3 functional areas to embed micro-segmentation

While there are many benefits, segmentation can be operationalized across three functional areas of marketing:



Strategy

Helps identify marketing opportunities and informs critical organizational decisions



Customer Insights

Delivers rich insights about what makes your customers unique



Campaign Execution

Enables you to build personalized campaigns targeted to the right audiences

Note: Marketing is the key stakeholder in each area, but other teams will be involved.

Aligning segmentation with strategic goals

Segmentation can help identify marketing opportunities and inform critical organizational decisions. There are four common strategic goals that segmentation can help your business achieve:

1. Market Development
2. Market Saturation
3. Product Development
4. Diversification

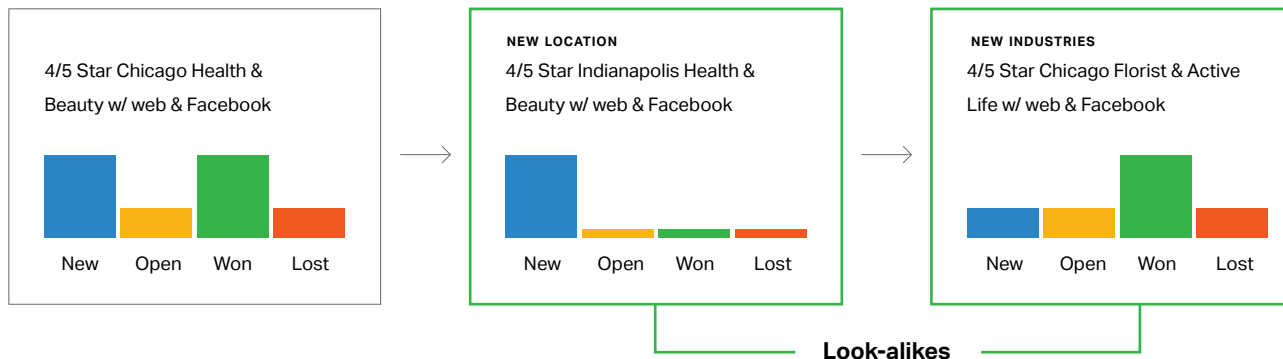
Below you'll see illustrations that highlight segments for each strategic goal:

- The *blue bar* represents new accounts not currently in your systems (CRM, MAT)
- The *orange bar* represents existing pipeline and leads
- The *green bar* represents accounts you have "won" or the percentage of the market you have penetrated
- The *red bar* represents accounts you have "lost"

1) Market Development (Go-To-Market)

Market development entails increasing sales of existing products in new markets.

To do this, marketers can leverage their knowledge of patterns that have been historically successful to expand into new locations or industries. The goal with market development segmentation is to find look-alikes in untapped locations and industries.

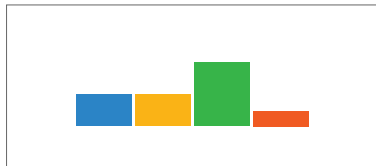


Company Profile: The company looking for market development should be established in various markets and also interested in executing expansion plans. This company is likely to have a structured marketing and sales organization that is ready to scale.

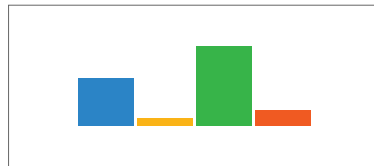
Predictive Tip - Test and adapt your segments frequently based on your results in new markets.

2) Market Saturation

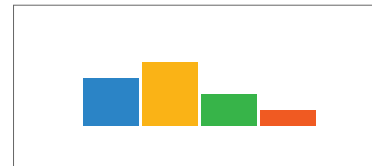
Market saturation involves increasing sales of an existing product in present markets. In this case, marketers are looking for aggressive expansion into market segments where they have earned proven results.



☒ **Saturate**



☒ **Saturate**



☐ Unknown

Company Profile: The company seeking market saturation may be present in many markets, but well-established in a few in which it has obtained significant market share. This company may also have competitors it would like to space out before moving into chosen markets.

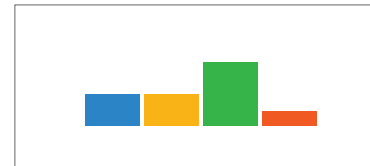
Predictive Tip - When you have determined which markets perform best, you can reach other look-alikes in the already qualified market segment.

3) Product Development

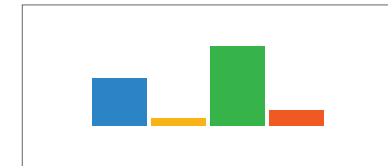
Product development entails offering new or improved products in present markets.

Examples of this may include cross-selling additional products to customers that marketers have already won or remarketing to lost customers. Consider this when making changes to the product or introducing a new product.

Predictive Tip - There could be an opportunity to reposition your current products through additional campaigns within your chosen market. Past campaigns may not have been as successful because you knew less about a particular segment.



✓ New targeted campaigns
to **lost** and **open**



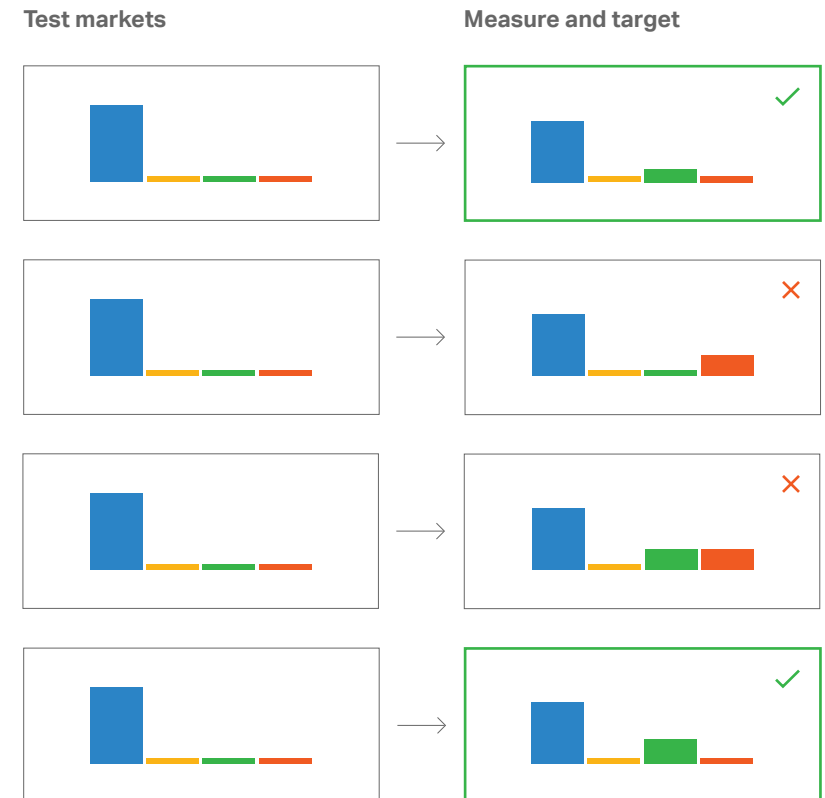
✓ Cross-sell new product or
service to **won**

Company Profile: The company seeking product development has multiple products or has run generic campaigns to a broad audience in the past.

4) Diversification

Diversification involves moving into unfamiliar markets. It relies less on the application of trends and more on testing, measuring, and adapting as marketers learn about various markets. This strategy can help marketers uncover potentially hidden opportunities that are yet to be tapped.

Predictive Tip - Diversification is all about testing and staying nimble since you don't know where you will have traction initially. Test with a sample set of multiple segments by deploying a percentage of new records in your unexplored market.



Company Profile: The company looking for diversification combines creativity with analytical approaches to find and acquire customers; they see the value of growth hacking.

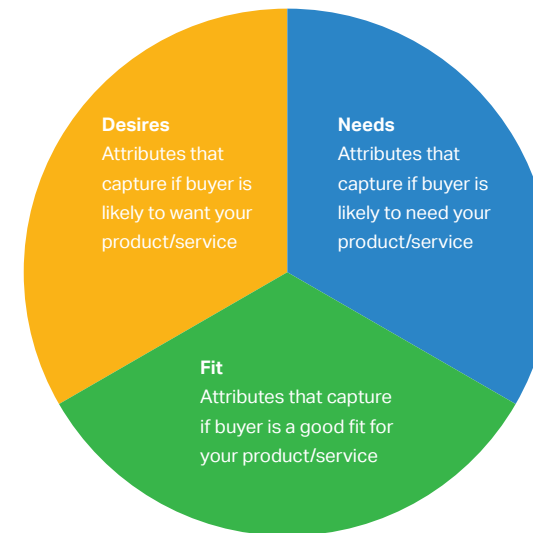
Leveraging customer insights from segmentation

Another key area that segmentation helps deliver value is with customer insights. The purpose of customer segmentation is to **provide marketers with a data-driven understanding of their customers.**

Effective customer segmentation can empower you with a granular view of characteristics shared among your best customers, which enables you to make better decisions about how to identify future prospects. Customer segmentation utilizes the historical performance and customer data in your CRM to show you who buys and who doesn't, which marketing campaigns are most effective, and which prospects should be prioritized over others.

However, there are a wide range of attributes to take into consideration with your segmentation efforts. According to Gartner, attributes fall into 3 broad categories that together help identify your ideal customer.

Figure 3. Dimensions for Company Segmentation



Source: Gartner (August 2015)

The level of depth that you decide to pursue for your attributes will vary based on data analysis, intuition, and the tools you have available at your disposal.

3 types of data for Predictive segmentation

Marketers with a Predictive tool can leverage data that will give them a 360° view of a customer's needs, desires, and fit. There are fundamentally three types of data that are available, each providing unique indicators across the dimensions of segmentation.

Fit

*How much **we** like **you***

Attributes about businesses that characterize whether they would be a good fit for your product based on how similar businesses have converted in the past.

Examples: Geography, industry, number of employees, revenue, product technologies installed, contact roles & titles

Predictive Scale: High

Timeliness: Long Lasting

Behavioral/Engagement

*How much **you** like **us***

Activity that you're capturing on your website, inside your marketing automation system, or through application logs. Because it is data you own, it is also referred to as **first-party data**.

Examples: Opened email, downloaded white paper, attended webinar, visited web pages

Predictive Scale: Mid-to-High

Timeliness: Quickly Decays

Intent

*Are **you** in the **buying cycle**?*

Activity data collected by networks of B2B publishers either at the IP level, or through user registration and shared cookies. Because it is happening outside your properties this is often referred to as **third-party intent data**.

Examples: White paper downloaded on competitor website, article read in industry publication, search for product news on publisher website

Predictive Scale: Low-to-Mid

Timeliness: Variable

By leveraging these three types of data, marketers can layer business signals on top of existing firmographic data, and analyze their historical results to better understand which prospects actually convert.

"B2B marketers need to accept the current state of this technology as correlative. Used strategically, it improves the probability of driving higher quality lead flow and stronger account-based marketing. But it doesn't guarantee it — it's not a substitute for strong marketing strategy and execution."



— Joe Cordo, Vice President of Revenue Marketing at PeopleFluent

What are predictive signals?

In order to understand how segments can help deliver better customer insights, it's important to take a closer look at the data points (signals) that make up a segment. Let's start by looking at firmographic signals, since they set the baseline i.e. they are required characteristics for your segment.

Firmographic refers to data about a business, or firm.

This data is most often basic, traditional, and static, which means it's not likely to change frequently. Some examples of firmographic signals include:

- Company Name
- Location (State, Metro Area, City, Zip Code, or Neighborhood)
- Phone Number(s)
- Number of Employees
- Annual Revenue
- Industry
- Number of Locations (Ex: retail chains)

Applying firmographic signals is a great starting point, and almost all segments you create will include them. But while they are helpful, firmographic signals are just the tip of the iceberg.

More advanced signals tend to expose richer business motivations and challenges, which are usually not available when you're just using firmographic data. You can examples of these in the table to the right.

Advanced Signals

Signal Category	Signals
Product Technologies	List of product technologies used by the business (e.g. CRM, Support / Help Desk)
News & Events	Recent events relevant to the business surfaced through news articles (e.g. IPO, Corporate Relocation)
Intent	Likely interest of a business in specific topic areas or products
Firmographics	Location, Industry, Number of Employees, Annual Revenue
Business Attributes	Headquarters, Number of Locations, Chain Type, Accepts Credit Cards
Social	Presence across Twitter, Facebook, Website, Yelp, Google+, OpenTable, etc.
Web Technologies	Web Analytics, Advertises online, SEO technologies, WebCart technologies, etc.
Contact Info	Contact name, Title, Job function, Phone number, Email Address, etc.

For a more detailed list of signals tracked by Radius, [view our Segmentation Datasheet](#).

With these deeper signals, marketers can begin to identify and predict their market's lifecycle stage, needs, and previous activities with the ultimate goal of predicting the propensity to buy.

What signals can reveal

Here's what incorporating richer signals in your segmentation can tell you about your target customer and market:

Success Rates: Marketers say we convert 10% in a specific industry or market, but is it possible to answer which prospects make up the 10%? Access to richer signals can help you find those answers by showing you how well you perform in particular segments based on historical success rates. This allows you to determine where to allocate marketing resources.

Personas: Personas help you align your marketing efforts to the goals, challenges, and personalities of your customers. With signals, marketers can gain customer insights needed to create detailed personas and then personalize their marketing efforts for them.

Competitive Insights: With thousands of product and web technologies being tracked, many companies can gain visibility into the customers of competitive products and services. For example, BigCommerce, an ecommerce web-cart company, can view a segment of companies using Amazon Webstore and see if they have any overlap in their own customer base. You can use these insights to run competitive marketing campaigns.

Integrations & Partnerships: Many companies have integrations that enable product functionality or go-to-market partners. Or, you may be exploring possible partnerships. Signals can help you target segments that have specific technologies as an install base already, or are currently working with your existing or potential partners. For example, Radius has integrations into Salesforce, Marketo, and Facebook, and is also partnered with companies like Demandbase. We built segments of businesses that have these 4 technologies and run specific campaigns messaging the alignment.

Channel Targeting: Presence of a business across the web allows you to target them where they spend their time. For example, Facebook and Twitter are becoming effective channels for B2B companies to increase awareness with their target accounts. Predictive can help you find your target accounts that are on social networks and target contacts that work at those accounts.

Identify Need: Signals, or lack of signals, of a business can show a need for your particular product or offering. For example, if your business offers a website builder, identifying businesses that have robust social media pages but do not have a website allows you to predict that these businesses need your offering.

Indicate Growth & Budget: Businesses investing in their digital presence, technologies, or advertising are powerful indicators of a target audience's willingness to adopt new products and services, or work with new vendors. Investments also indicates budget!

Surfaces "In-market" Buyers: Intent data is variable in time, meaning it can surface buyers that are expressing heightened interests. Segments created using intent data identify the intent topic and other signals you have selected, and the accounts that meet the segmentation criteria. So if a company appears in the segment, that means they have a current interest in the intent signals the segment includes. *Learn more in ["Best Practices for Segmenting with Radius Intent Data"](#)*

Feed customer insights into personas, ICPs, and ABM

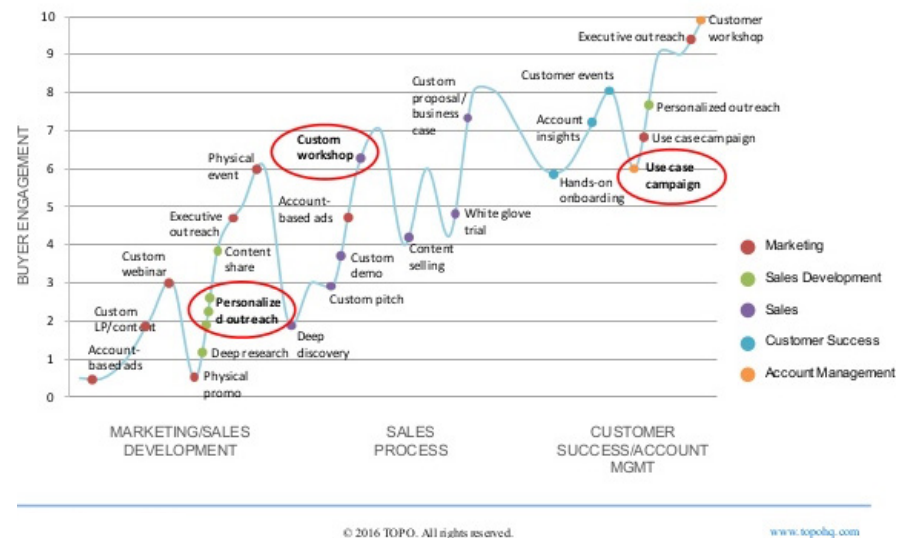
The goal of using signals and Predictive data to build segments is to narrow the focus from a wide market to the ideal customer profiles, distinct buyer personas, and list of accounts that are most likely to buy.

Relative to customer insights, Predictive segmentation helps marketers deliver on three assets crucial for every B2B organization:

- **Build Ideal Customer Profiles (ICPs):** Set of attributes that define the organizations that are most likely to buy
- **Create Buyer Personas:** The people within the ideal customer profile that are part of the buying decision
- **Select Target Account Lists:** A result of a well-defined ICP and detailed buyer personas, this is a set number of named accounts sales and marketing will pursue.

Customer segmentation can also help **evolve account-based marketing (ABM)** efforts. Account selection is a key part of your ABM strategy, but it's just step one in the process. Think about it in the context of your key account's buyer journey (shown to the right).

Key Account Based Plays



One of the defining attributes of account-based marketing is **creating valuable and personalized buyer experiences** across the different touchpoints.

With segmentation, you can identify target accounts and contacts, and then find ways to group them. This will help you gather data about target accounts and contacts to develop personalized touchpoints (messages, campaigns, content) that will resonate. You can acquire rich and up-to-date insights about buyer intent, prospect tech stack, trigger events, and firmographics from your Predictive platform and CRM.

Applying segmentation for campaign execution

After you have identified how you want to segment your market and also developed these segments using various buying signals, the next step is to target your chosen segment(s) by devising various marketing strategies and demand generation programs.

This directed action marketers take to an audience (or segment) is called Targeting – and Predictive takes targeting to a new level of precision.

An easy way to understand the difference between segmentation and targeting is outlined in the Segmentation Targeting Positioning (STP) Cycle.

Segmentation Targeting Positioning (STP) Cycle



In this section, we'll cover how you can target the segments you have identified with specific programs, primarily the **three phases across campaign execution**, and where Predictive segmentation has an impact:

1. **Audience Discovery** - Identifying and building out the audience for each segment
2. **Maximizing Reach** - Ensuring that all prospects that meet segment criteria are included in the segment
3. **Personalization** - Creating personalized campaigns and messaging for target segments

01 Audience Discovery

An important first step in any campaign is building out your target audience. In the case of Predictive segmentation that means identifying your audience using key buying signals in your Predictive platform.

Predictive platforms like Radius offer many paths to build and discover an audience – some of which involve very little predictions.

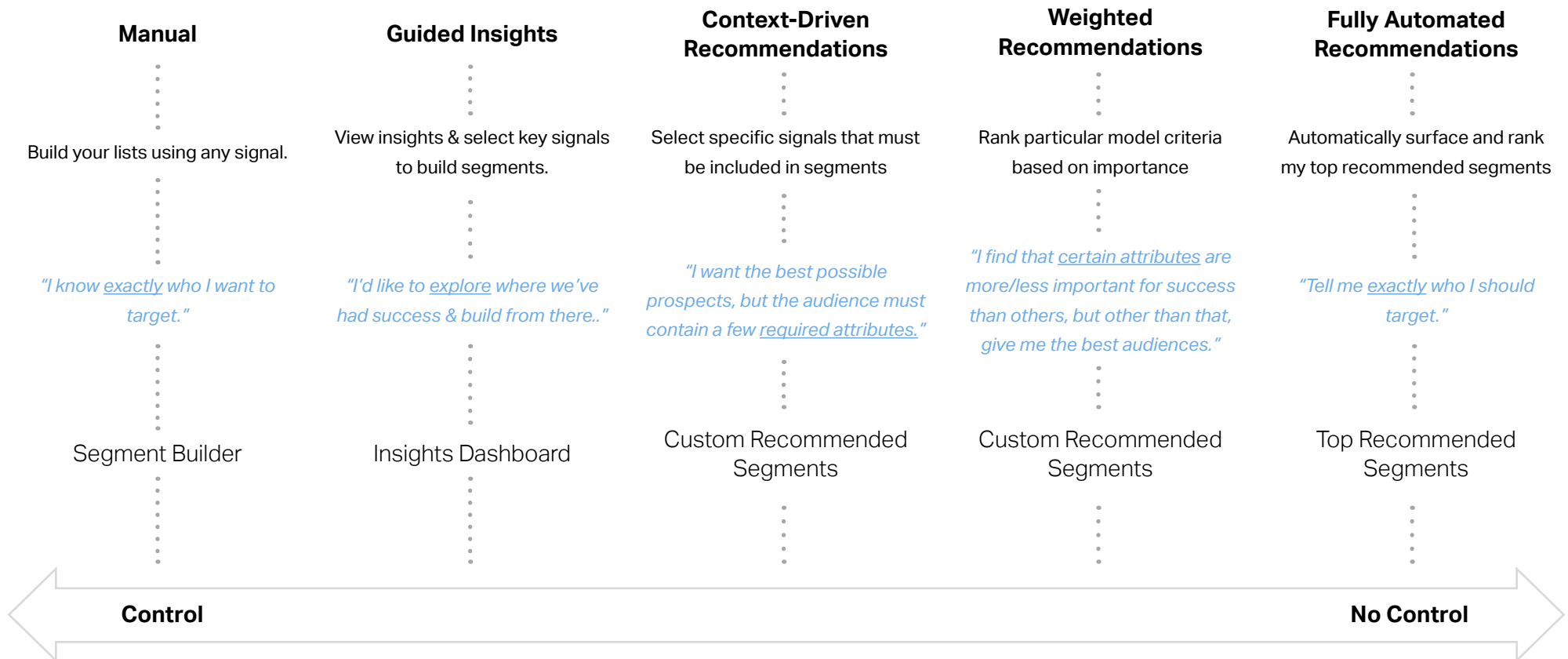
“Very Predictive” features require little to no human intervention, making way for machine learning to programmatically and in some cases automatically uncover the top audiences.

“Non-Predictive” features give users full control to build whatever segment they’d like. There are also several capabilities in-between that blend a user’s input with the machine’s intelligent recommendations.

Whether you’re building your own segments or leveraging recommendations, use the Audience Discovery Spectrum to help you better understand what Predictive can do and when to use certain capabilities.

01 Audience Discovery

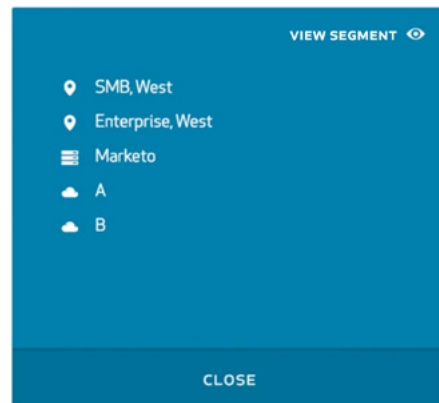
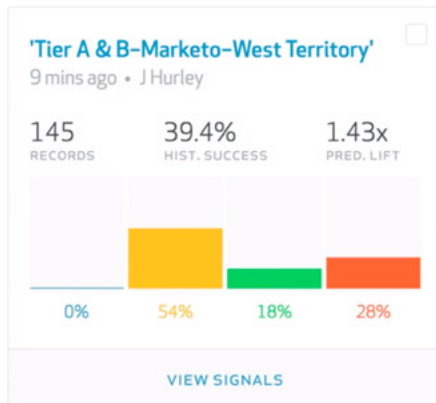
Predictive Segmentation: Audience Discovery Spectrum



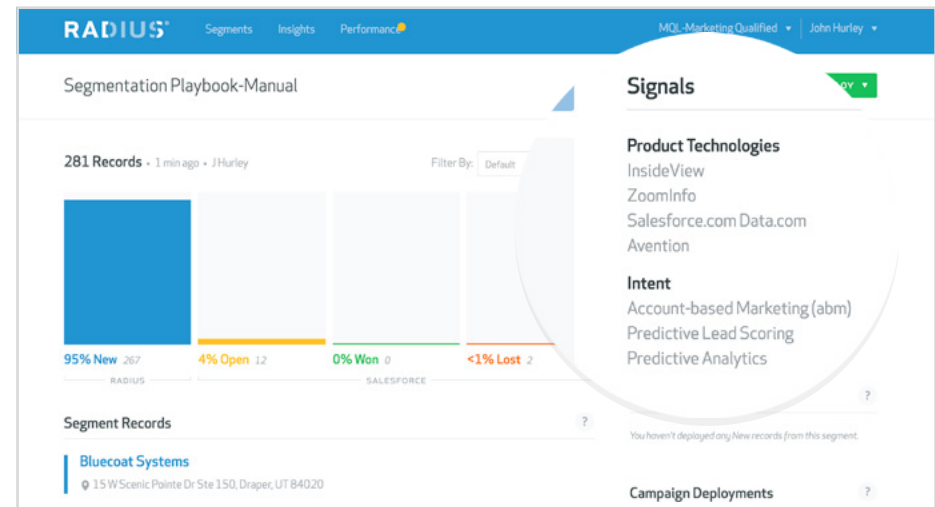
01 Audience Discovery

Let's look at some scenarios where you can leverage these segmentation features.

Manual



Scenario #1: We're heading to the Marketo conference. I want to target all my tier A & B prospects that have Marketo by each sales rep's territory in order to run a call-down campaign.

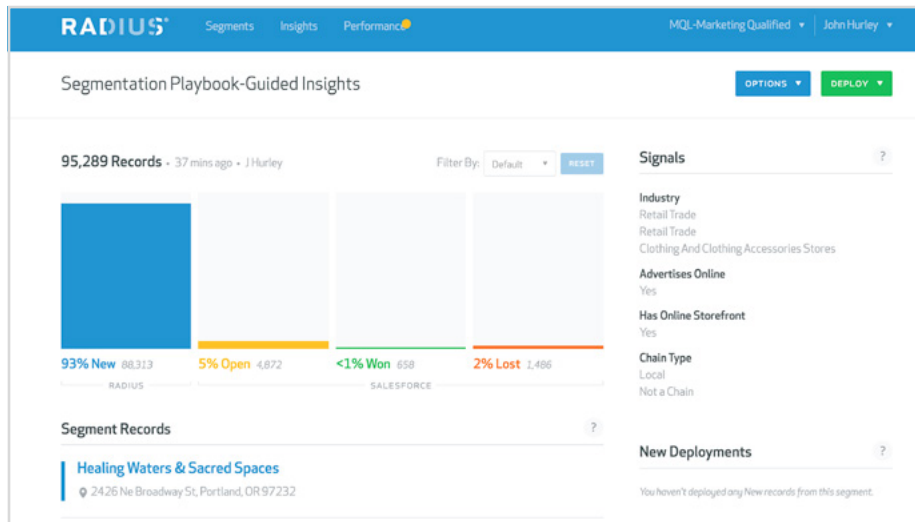


Scenario #2: I want to know every company that is actively researching about Predictive platforms or account-based marketing, but also is a current customer of a traditional data provider.

01 Audience Discovery

Real-life scenarios by segmentation type:

Guided Insights



Scenario #1: New enhanced product features are shifting focus on acquiring e-commerce businesses that advertise online. Within this segment, I need to find the industries & revenue bands where we have the most existing pipeline to build nurture campaigns. I also want to know if there are other signals we didn't consider that are showing a lift.

Context-Driven Recommendations

Scenario #1: We have several customer advocates and case studies within the payment processing industry. I know there are several tier A accounts, but want to identify the top 200 mid-market accounts and top 20 enterprise accounts within the payment processing industry so we can develop and run targeted vertical-based campaigns.

01 Audience Discovery

Real-life scenarios by segmentation type:

Weighted Recommendations

Custom Recommendation

You are about to generate Custom Recommendations. Click submit to start the process and we will notify you when your segments are ready.

Rank Signals Based on Importance (4 of 5 Selected)

Location	LOW	Checkins	DEFAULT
Industry	HIGH	Daily Deals	DEFAULT
Num. of Employ.	HIGH	Twitter	DEFAULT
Annual Revenue	HIGH	Facebook	DEFAULT
Review Rating	DEFAULT	Web Presence	DEFAULT

CANCEL **SUBMIT**

Scenario #1: We have invested in a new research-backed white paper and need to identify several segments that have a high likelihood to convert for outbound and nurture campaigns. Since the research applies to any business in the US, location doesn't matter, but we do consider industry and company size as very important.

Fully Automated Recommendations

Top Recommendations

Rank	Pred. Lift	Hist. Success	Records	New	Open	Won	Lost
1	4.41x	38%	661	0	129	332	533
2	2.79x	26%	223	90	51	35	98
3	2.78x	25%	324	169	55	39	115
4	2.77x	27%	261	135	51	31	85
5	2.70x	26%	249	126	52	32	93
6	2.68x	26%	569	447	51	30	86
7	2.55x	26%	158	67	50	21	60
8	2.50x	23%	245	114	54	31	102
9	2.48x	23%	879	746	52	30	99

DISMISS **ADD SEGMENT**

CREATED: Aug 9, 2016

RECORD BREAKDOWN

New	80%
Open	6%
Won	3%
Lost	11%

SIGNALS

- No Online Storefront
- Earnings & Dividends
- Automated Process/Workflow Systems
- Analytics & Reporting

Scenario #1: Our Q4 campaign calendar has several openings and we want to develop an account-based campaign that is crafted specifically for one of our top segments.

02 Maximize Reach

Once you have identified a segment, you want to make sure to reach all the prospects that match your segment criteria. Reach accounts for the size of your unique potential audience.

Traditional approaches of segmentation with your marketing automation (MAT) and CRM carries high risks of missing accounts due to inefficient data. The result is that accounts that should be receiving your target campaigns may miss the message. Some problems marketers face with traditional segmentation includes:

Problem	Result
Relies on Fill Rates Across CRM & MAT	Missing Prospects
Relies on Data You Track	Limits Targeting
Current CRM/MAT Data Innacurate	Missing Prospects
No New Prospects	Low Lead Volume

The **major benefit of Predictive** is that all your records (leads, accounts, opportunities, contacts) are matched to a clean, accurate, and robust record within the Predictive platform. Not only does this matching enable predictions and the ability to segment on many more signals, it also ensures that segments deliver EVERY account that meets your segment criteria.

On the following page, you'll find a Radius example that highlights how you can maximize the reach of your audience for a marketing campaign, and at a holistic level illustrates the difference in reach with Predictive and without Predictive.

02 Maximize Reach

Maximizing reach for an industry-specific webinar

In this example, we were targeting banks for an upcoming webinar by sending nurture emails to our existing prospects. We wanted to identify a specific business that would be included in the email audience.

Regions Bank was a company we were targeting that was in our CRM, but the "Industry" field was empty.

SALESFORCE	SALESFORCE RECORD	RADIUS RECORD	
BUSINESS NAME	Regions Bank, Inc.	Regions Bank	✓ MATCH
ADDRESS	"2112 Nw Northrup St" "Portland" "Or" "97210"	11050 Se Powell Blvd Ste 370 Portland OR 97266	
PHONE	"5032966711"	(503) 244-7103	
INDUSTRY		Banking	✗ NO MATCH
WEBSITE		https://agents.allstate.com/mike-gopsha-portland-or.html	
EMAIL			

Without Predictive, it was unlikely that contacts at Regions Bank would be included in this campaign because we would have built our email list based on the industry classification. The same issue arises if we had relied on marketing automation or CRM since fields may have included incorrect or misspelled data.

With Predictive; however, we were able to leverage powerful matching technology and a comprehensive dataset to connect to a record that contains all the data we needed to ensure campaign reach was maximized.

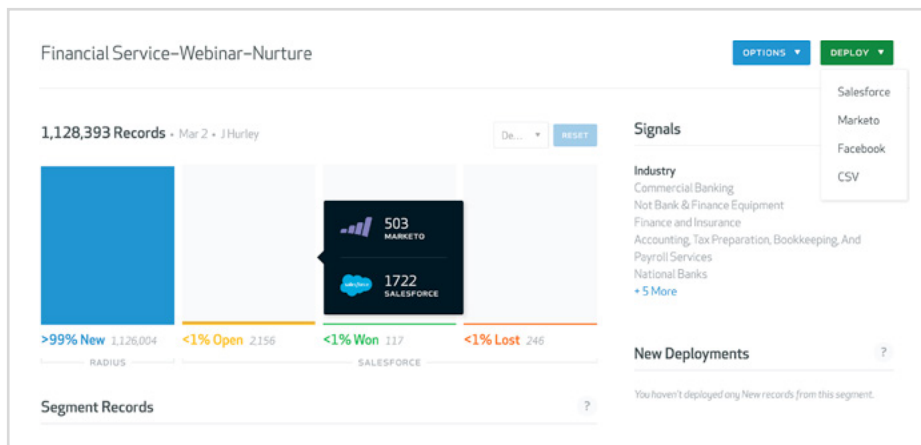
02 Maximize Reach

Maximizing reach for an industry-specific webinar

For this webinar, we were able to ensure all accounts that were banks and other financial institutions were part of the email list by building a segment with various industries selected. As you can see below, Predictive enabled us to deploy over 2,100 existing accounts directly to a Marketo list.

In addition to expanding our nurturing reach, Predictive also gave us access to net-new accounts and contacts for outbound outreach.

When targeting net-new accounts, we recommend further refining your audience to closely match your ideal customer profile.



02 Maximize Reach

Maximizing reach for an industry-specific webinar

Taking the previous example, we targeted marketers at companies using Marketo and Salesforce, that are typically working at the headquarters. Using this criteria to further build out our target segment yielded an increase in our reach by sourcing new prospects for sales to personally invite to the webinar:

What were the results?

A 4x increase in audience sizes.

Using Marketing Automation

Total

342 Accounts
900 Contacts

Using Predictive

Existing

2,156 Accounts
2,992 Contacts

+

New

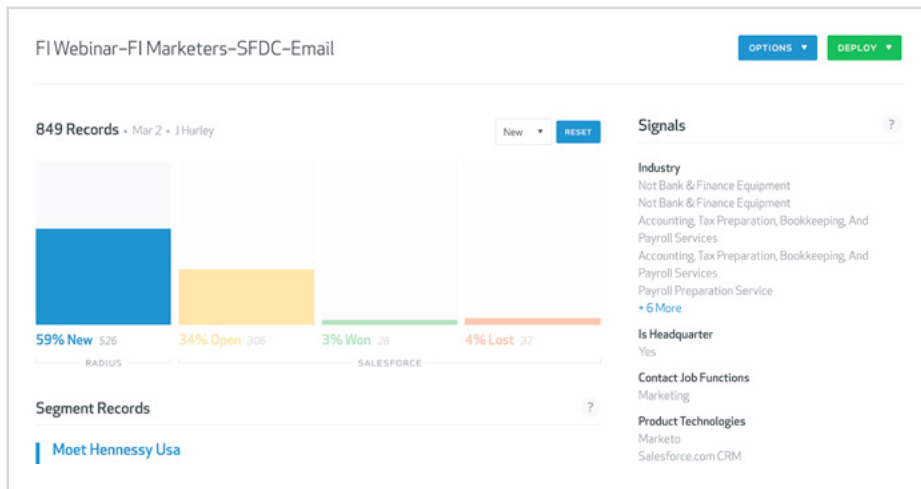
526 Accounts
726 Contacts

=

Total

2,682 Accounts
3,718 Contacts

Maximizing reach is essential to campaigns because it will help you capitalize on the potential impact. However, reach is not everything. It's also important to take into account the frequency of your marketing "touches" and how personalized you make your campaigns.



02 Maximize Reach

Understanding reach, frequency, and personalization

In his book, *Permission Marketing*, Seth Godin uses an analogy of seeds and water to explain the importance of ensuring adequate frequency in promotional campaigns.

If you were given 100 seeds with enough water to water each seed once, would you plant all 100 seeds and water them once?

Or, would you be more successful if you planted 25 seeds and used all the water available to water those seeds 4 times?

This is a useful thought exercise for marketers because while reach is an important aspect of your marketing campaigns, an equally important factor is the frequency of your marketing interactions with prospects and target accounts. After all, establishing a long-term business relationship with potential customers takes time and frequent nurturing.

But to take Godin's analogy one step further, what if half the seeds you're watering were desert plants and the other half were temperate rainforest plants? Would the same treatment and amount of water work for either type of seed?

Probably not because you would need to tailor your efforts for each plant. That's where personalization comes into play.

03 Personalization

The last and most important phase of campaign execution is creating personalized campaigns and messaging for your target segments.

According to B2B marketing-tech expert Laura Ramos from Forrester, “B2B CMOs need to think about big data, not as a data quality and technology problem, but as the way to transition their teams from list managers and campaign number crunchers to custodians of customer insight.”

03 Personalization

A Strategic Messaging Architecture Aligns Messages at Multiple Levels

Predictive removes the guesswork and assumptions used by marketers to create campaign messaging. Looking at the strategic messaging architecture from Forrester, which is shown to the right, Predictive insights allow marketers to answer questions at Level 2 and Level 3 with greater precision.

Positioning Hierarchy

Level 1: Corporate positioning and strategy

What business are we in?

Level 2: Segment-level positioning

What are the top problems that segment(s) we sell into want to solve? How does this align with what we do?

Level 3: Key decision-maker positioning

What do key decision-makers (KDMs) at our customers value? How do we deliver on that?

Level 4: Outcome messaging

Customer Outcome 1

Customer Outcome 1

Customer Outcome 1

Level 5: Capability messaging

Capability X

Capability X

Capability X

Capability X

Capability X

Capability X

Questions to ask

- How are we (re)defining our market category or position?
- What makes our differentiation sustainable?
- How does our messaging attract and engage thought leaders?
- How does our messaging increase our credibility in the C-suite?
- What makes our messaging attract KDM attention?
- How does it open doors by capturing the key concerns KDMs face?
- What can we help the KDMs accomplish?
- How do these outcomes drive buyer action?
- How do we uniquely enable the outcome?
- How can we make the decision easier for the KDM?

03 Personalization

In both levels, Predictive combines brilliant marketing intuitions with scientific, machine-generated insights that enable you to make the best decisions for your marketing mix. Here's a use case example that illustrates how marketers can use Predictive insights to personalize their marketing message:

Use Case	Description	Applications	Benefits and Solutions
Message Personalization (hyper-segmentation)	Deep, complex, and automated segmentation enabled by a prospect database enriched by external data sources	<ul style="list-style-type: none">▶ Valuable to any firm that has campaign development skills to leverage for advanced segmentation▶ Can be leveraged to personalize content as part of an ABM strategy, outbound messaging for all channels, inbound content planning, and more relevant conversations between sales and prospects	<ul style="list-style-type: none">▶ Increases relevance and audience engagement in one-on-one conversations with sales▶ Informs content strategy for outbound and inbound▶ Not all predictive partners reveal the underlying data that informs models

Based on a graphic found in - What's Possible With Predictive Marketing Right Now? Three Use Cases Illustrate The Power Of Predictive In B2B Marketing, July 2016, Forrester

Part 4:

How to create a target segment

Framework for building target segments

Creating target segments will require you to determine just how focused you want to get to meet your goals. The more tightly you define your target market, the more specific and personalized you can be with your messaging and content. Follow the steps listed on the next page to help you get started in creating target segments for demand generation programs.

Framework for building target segments

	Question	Example	Your Target Segment
Select Strategy	<p>Define the purpose of your marketing campaign</p> <ul style="list-style-type: none"> ▶ New market development, expanding in an existing market, launching new products in an existing market, diversifying into an unknown market <p>Select the segment(s) you want to target</p> <ul style="list-style-type: none"> ▶ Enterprise accounts, SMBs, B2B, B2C, ecommerce, retail <p>Identify the internal teams that exist for this market</p> <ul style="list-style-type: none"> ▶ Marketing, sales, SDRs 	<ul style="list-style-type: none"> ▶ Launch new products in an existing market ▶ Enterprise accounts ▶ B2B ▶ Finance ▶ Internal teams ▶ Marketing and Sales 	
Analyze Customers	<p>Define firmographics</p> <ul style="list-style-type: none"> ▶ Industry, number of employees, revenue, location <p>Select advanced buying signals from Predictive platform</p> <ul style="list-style-type: none"> ▶ Product technologies being used currently, business attributes, social presence <p>Identify target market</p> <ul style="list-style-type: none"> ▶ Types of companies (size, vertical, etc.), potential divisions, location <p>Build Ideal Customer Profiles (ICPs)</p> <ul style="list-style-type: none"> ▶ Target market, marketing strategy, geography, verticals, attributes (use CRM, use marketing automation, early adopters) <p>Create buyer personas</p> <ul style="list-style-type: none"> ▶ Role in the organization, demographic profile of the buyer, purchasing process for new technologies, key challenges they face 	<ul style="list-style-type: none"> ▶ Financial services ▶ 50-100 employees ▶ \$50M - \$100M ▶ HQ: Los Angeles, CA ▶ Marketo, Salesforce ▶ >10 locations in US ▶ Use social media ▶ SVP of Marketing, Demand gen manager 	
Create Campaign	<p>Select your target segments</p> <ul style="list-style-type: none"> ▶ Mid-market accounts, enterprise accounts, company size, industry, revenue, ICPs, buyer personas <p>Identify which stage of the buyer's journey the prospect is currently in</p> <ul style="list-style-type: none"> ▶ Awareness, consideration, selection <p>Personalize campaign for prospects</p> <ul style="list-style-type: none"> ▶ Channels, messaging, content 	<ul style="list-style-type: none"> ▶ Enterprise accounts ▶ \$50M - \$100M ▶ HQ: Los Angeles, CA ▶ Marketo, Salesforce ▶ SVP of Marketing, Demand gen manager ▶ Consideration ▶ Channels - Outbound email, paid ads ▶ Messaging - Offer a free trial of product 	

Segmentation checklist

Segmentation takes a fair amount of testing, measuring, and adapting to identify the right attributes that suit your marketing needs. While the purpose of segmentation is to find differences, all segments must pass a list of requirements:

- Measurable
- Large enough to earn profit
- Stable enough to remain relevant over time
- Included prospects are reachable through promotion and distribution channels
- Internally homogenous (potential customers in the same segment prefer the same product qualities)
- Externally heterogeneous (potential customers from different segments have different quality preferences)
- Responds consistently to a given market stimulus
- Reachable through market intervention in a cost-effective manner
- Useful in determining the marketing mix
- Identifies the target customer(s)
- Provides supporting data for a marketing positioning or sales approach

Difference technology makes in segmentation

Now you may know that your company has historically performed well in certain segments. You may even be able to say with confidence that you convert 12% of prospects in a specific industry or market. But you're probably unable to identify why you have higher rates of customer acquisition in one market versus another.

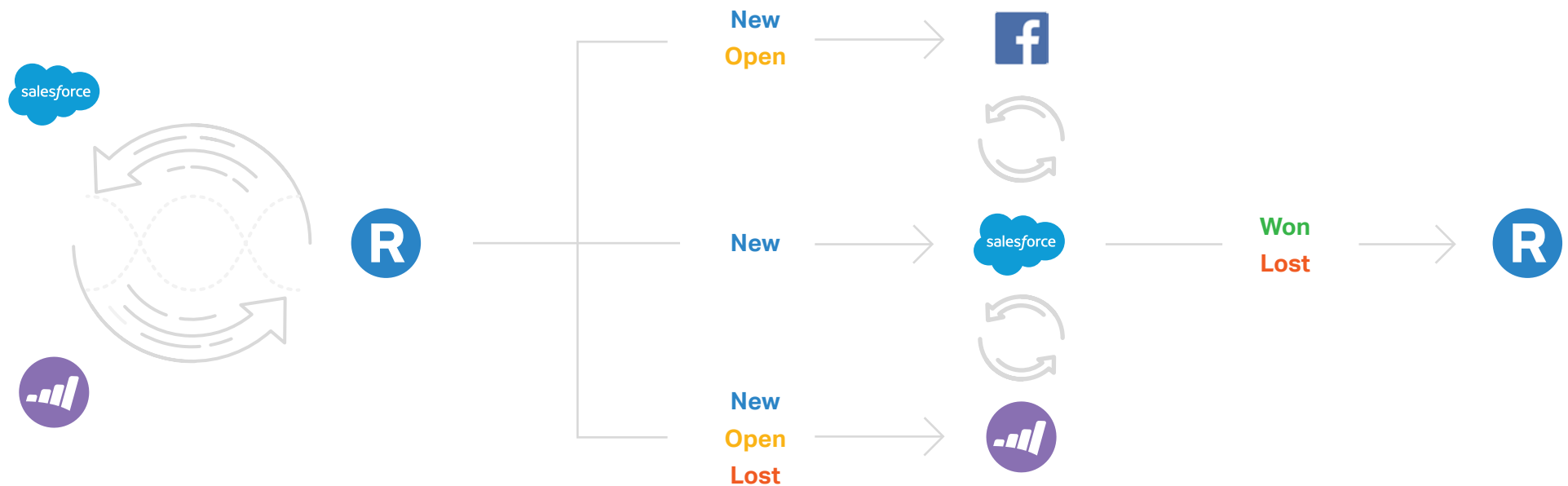
While you can manually analyze your data, it's a time-intensive, high-effort exercise. It's easy to find yourself being overwhelmed in a spreadsheet when you consider all the tasks you would need to complete to define a target segment:

1. Clean & append CRM
2. Analyze current customers
3. Define firmographic criteria
4. Collect new prospects
5. Merge multiple CSV files
6. Submit files to deduper
7. Upload files to CRM
8. Run Predictive models
9. Launch campaign
10. Build custom reports

Difference technology makes in segmentation

With a Predictive platform, you could select a strategic goal you want to pursue, analyze past customers to build your segments, and craft a personalized campaign that converts each target segment. The entire process is optimized to fit into your current marketing stack and also enables you to leverage larger datasets and programmatic machine learning.

New E2E Workflow



Part 5:

Predictive segmentation examples

How Perka used persona-based segmentation to define product strategy



Challenge

Perka, a mobile-loyalty solution for SMBs, wanted to better define their customers by target personas. Perka knew they were having some concentrated success across different industries, but due to the sheer number of industries they were unable to analyze data across all of them.

The product team was primarily focused on building products based on understanding customer segments, but lacked the capability to mine large datasets. They wanted to:

- Define verticals containing various target industries
- Understand different nuances between each vertical
- Segment their market by target personas in each vertical
- Identify customer insights from target personas

Solution

The company leveraged Radius to define 8 target vertical-based personas and identified all the relevant NAICS codes within those verticals. The Perka team was able to segment their market by those target verticals and identified distinct customer insights that helped them inform their product roadmap and personalize product experiences.

Results

With the added insights from these vertical-based personas, the company was able to better define their product strategy, making it more relevant for their prospects.

Radius customer case study: POS Portal



Scenario

POS Portal has long been a high quality purveyor of merchant point-of-sales (POS) equipment. They recognized new market dynamics for EMV chips, which are small computer chips embedded in credit cards that make it harder to counterfeit. The recent market shift to EMV chips requires a lot of retailers to adopt new hardware systems, like the ones sold by POS Portal.

POS Portal identified that certain industries such as luxury goods have a heightened pressure to adopt this new technology because they have an increased risk of fraud and chargebacks. But they needed to somehow translate these emerging trends into segments that would allow them to identify audiences that they could run targeted marketing campaigns towards.

How Radius Helped

Radius helped POS Portal by giving them access to insights and segmentation capabilities they needed to identify luxury industries and micro-segments they have had success with previously. Using Radius, POS Portal was able to identify these target segments and run targeted campaigns promoting the new technology and their product offerings.

Process

POS Portal connected Salesforce and Radius to build segments in the luxury goods industry using manual and guided insights. They were then able to visualize other key buying signals that could be layered on top of their existing luxury industry firmographics.

Using the segments builder and insights dashboard, POS Portal built multiple different segments that they deployed to their sales team for outbound calling campaigns, and to Marketo where they ran nurture emails.

Results

With the help of Radius, POS Portal was able to:

- Source 80% of their pipeline across all campaigns and industries
- Increase close rates from lead-to-close by 50%
- Scale up from 30 new merchants to 1,500 per month

Conclusion

B2B marketers are tasked with the challenge of capturing their buyers' attention, and with an ever-increasing amount of content and campaigns, personalization is key to success.

Adopting segmentation and targeting strategies are important methods for engaging your prospects and motivating their intent to buy.

But while segmentation can be done manually, it's neither cost-effective nor efficient to mine data for insights, and can often yield errors that could lead you astray in the development of your programs. Using Predictive segmentation, marketers can define campaigns based on audience insights, leverage larger datasets and machine learning to identify buying signals that they would otherwise miss, and tailor their programs to all the right accounts that meet their segment criteria.

The outcomes from a customer-first demand generation program will far exceed what you will achieve if you focus on everyone as your segment.

Thanks for reading this playbook, we hope you found the content useful!

This is just one of the playbooks in our Predictive Toolbox, so be on the lookout for more playbooks. In the meantime, [visit our Resources page](#) for great content on Predictive.