

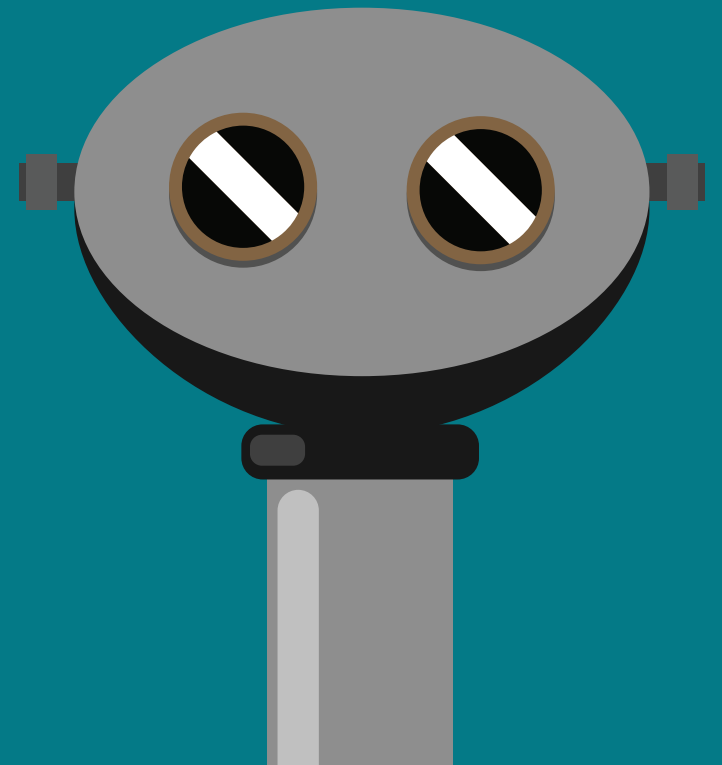
ABM OUTLOOK SURVEY 2018

An Overview of the State of
Account Based Marketing



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About the Study

In January 2018, Engagio conducted a comprehensive survey of more than 1,260 companies to assess trends in B2B marketing. 37% of responses were from small companies (100 employees or less), 44% of responses were mid-market companies (between 250-2,500 employees), and 19% of responses were from enterprise companies (2,500 and up employees). Results from that survey are used throughout this book; when percentages are used it's against a fluctuating total number of respondents in that range.

This is an inside look at the state of Account Based Marketing. More specifically, our research examined:

- How companies are utilizing ABM as a strategy
- How organizations are structuring their teams to support ABM
- How ABM can be measured at different stages
- The challenges most organizations are facing regarding ABM

Along with showing the results, we've included our interpretation of the data to help you draw insights and apply them as you continue down your ABM journey. The research underscores where companies are at with their ABM programs and the key challenges they are facing.

Regardless of your company size or maturity, there is always a need to grow your business and drive efficiency. The data from this survey illustrates how ABM can help.

Section 1:

ABM Strategy

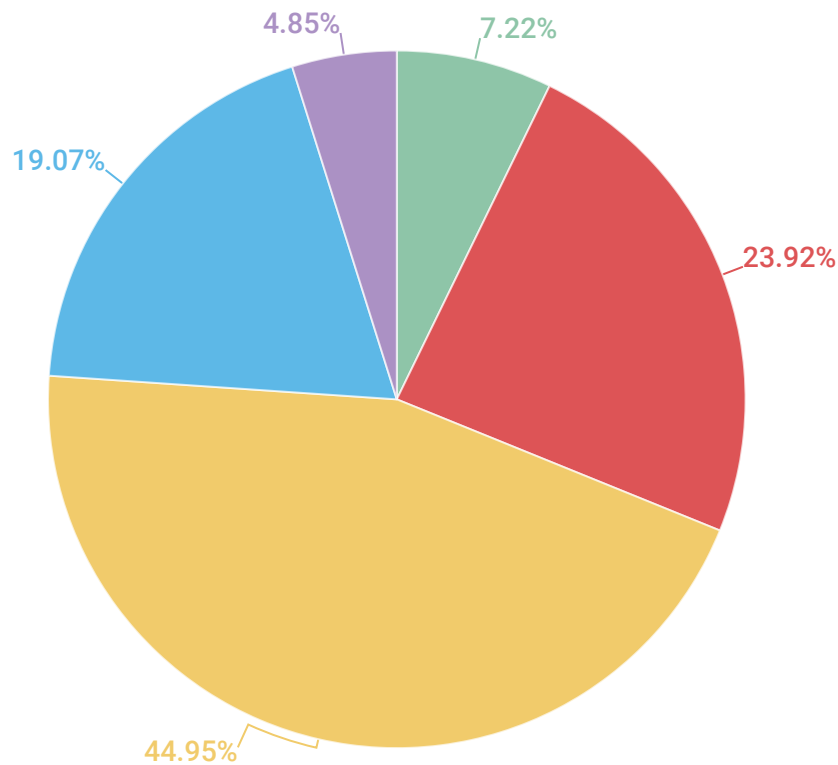
At a glance:

ABM Maturity

ABM/Demand Gen Mix

ABM Budget

How would you describe your company's maturity with ABM?



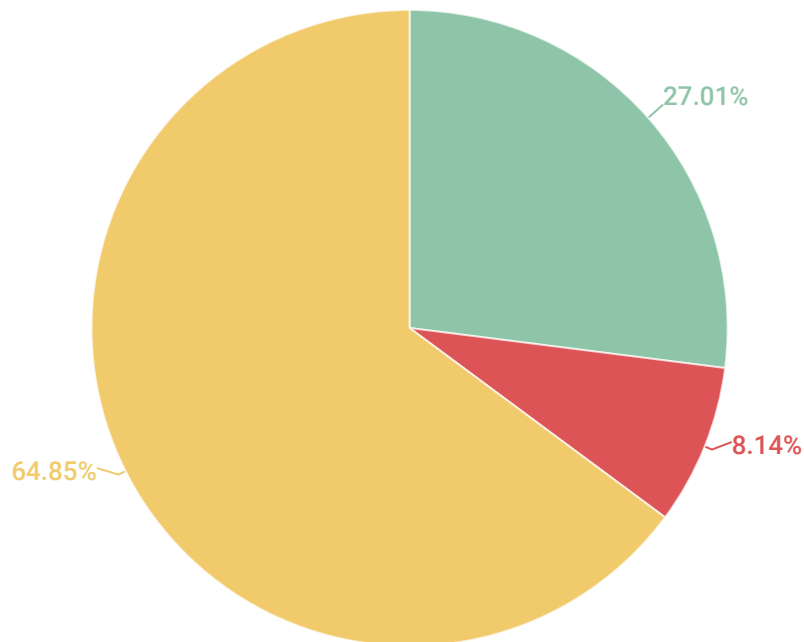
- Advanced
- No plans to get started
- Thinking about getting started
- Well underway
- Just started

23.9% of companies reported having ABM programs that were well underway or advanced.

ABM Strategy

Many organizations are still getting started with ABM.

In a separate survey by ITSMA and the ABM Leadership Alliance, 89% of respondents reported a higher return on investment (ROI) from ABM than traditional marketing initiatives if their ABM program was in place for more than two years. A vast majority (85%) of companies - even those that have NOT had an ABM program in place for two years - are still seeing better ROI with ABM. Many organizations will use a combination of ABM and also some demand generation. Figuring out the balance will depend on the types of companies you market and sell to.



What marketing strategies do you currently use?

- Demand generation
- Account-based marketing
- Mix of both

64.8% of companies are currently using a mix of ABM and traditional demand generation programs.

ABM Strategy

Fewer than 10% of companies are using ABM exclusively while about 27% report using only demand generation – a hybrid approach is common for most B2B organizations.

“Best-in-class organizations deftly integrate their campaigns and programs to utilize both inbound and outbound marketing tactics, often for different purposes.”

– **Jason Hekl**, Vice President & Group Director, SiriusDecisions

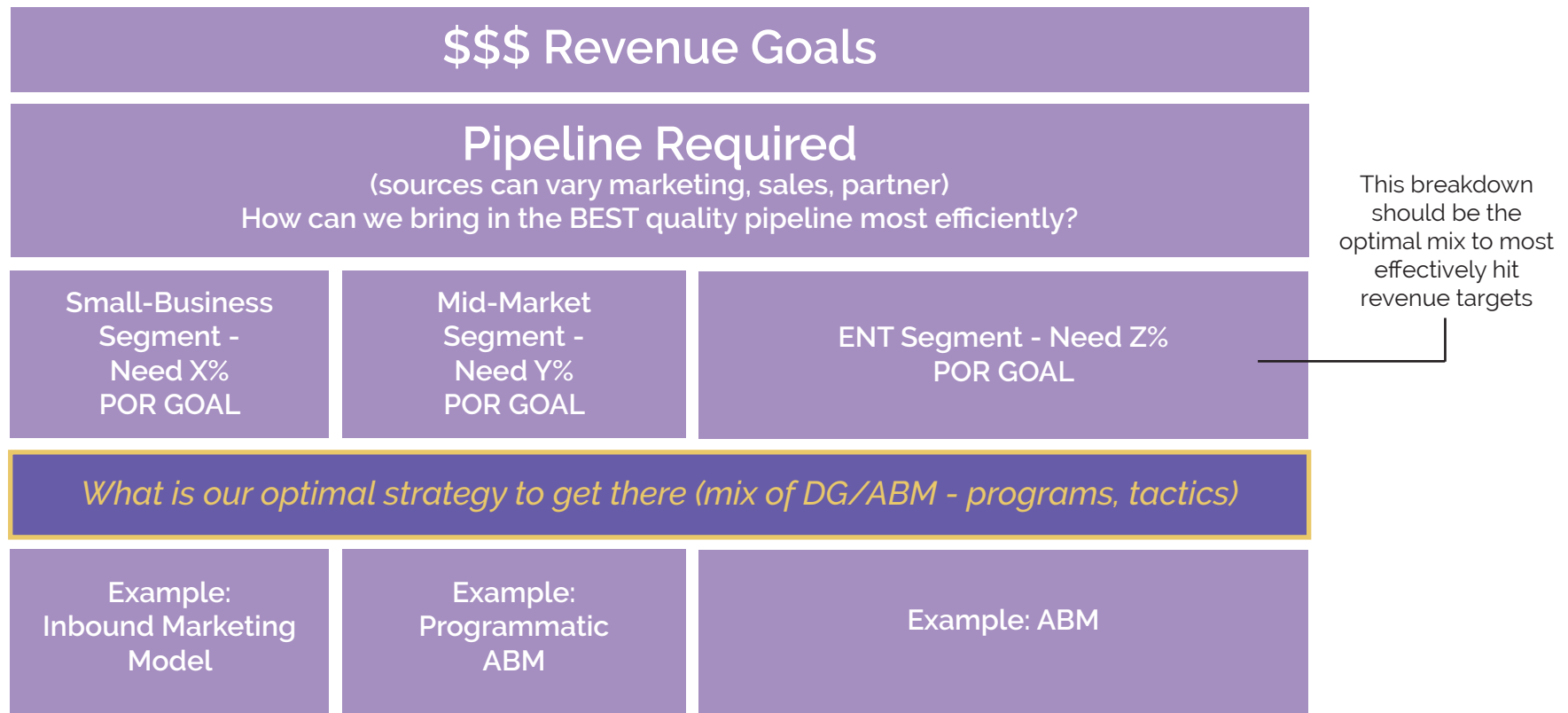
There's no hard and fast rule about what percent of your programs should be dedicated to ABM and what percent should be dedicated to demand generation. Think of it as a spectrum. On one end, you have companies selling to the Future 100. The vast majority of their efforts are going to be focused on ABM. On the other end, you have companies selling into the SMB market. The majority of their efforts are going to be focused on demand generation. Most likely, you're somewhere in the middle, so you'll want to balance the two strategies.

As a reminder, ABM should be leveraged when:

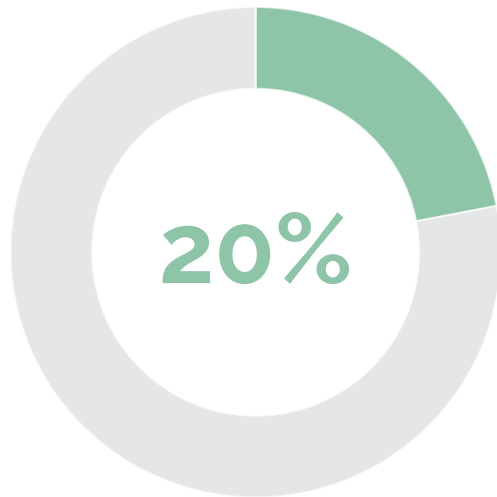
- Teams sell to high value accounts - >\$20K deals
- Sales cycles are longer - months not days
- Growth within the account is a business driver -renewals, upsell, cross-sell into different departments
- Buying centers are who the team markets and sells to - not just one individual
- Results from demand generation are decreasing

ABM Strategy

Here's an example of how you can think about which type of strategy to apply to a particular segment of your business:



What % of your total marketing budget was dedicated to ABM in 2017?

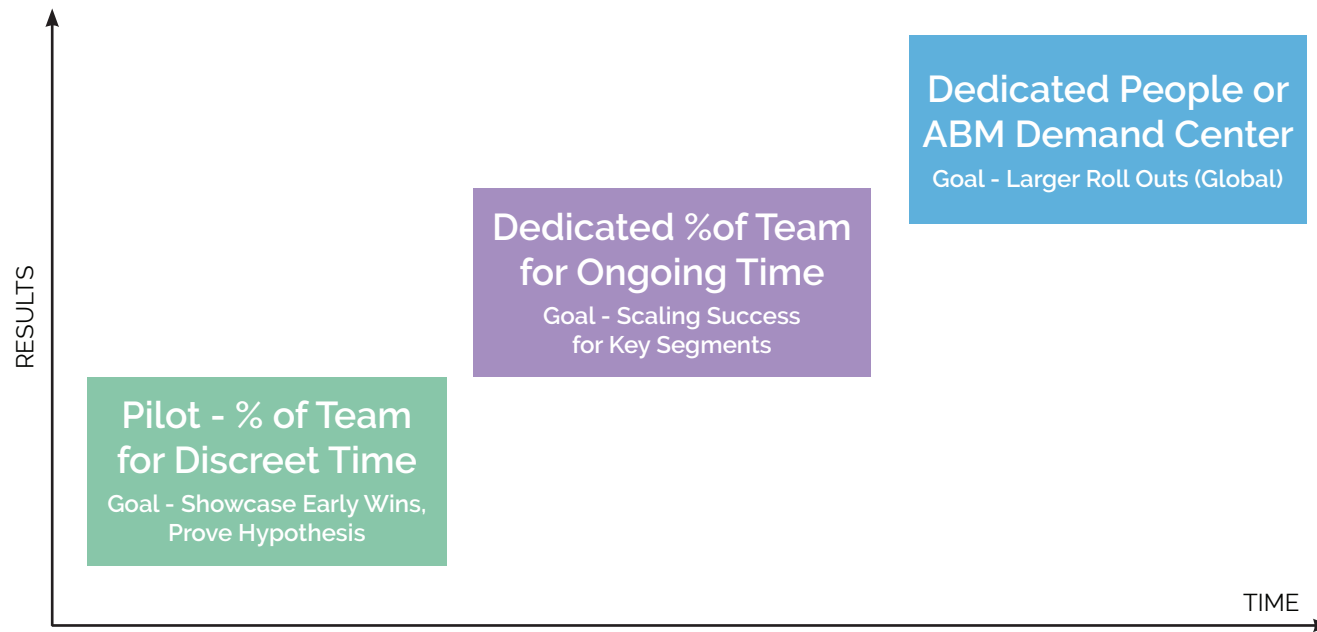


Building an effective ABM program doesn't always require a large budget. In most cases, you can succeed by using your current initiatives, team, and tech stack more wisely. By drawing on your current team's expertise, you can get your ABM program up and running quickly. A lot of the work they're already doing can be focused on a smaller, select set of people and accounts. In other words, transitioning your current marketing team into an ABM team doesn't mean radically reinvesting the way they work.

Of the companies doing ABM, roughly 20% of the marketing budget is being allocated to ABM programs.

ABM Strategy

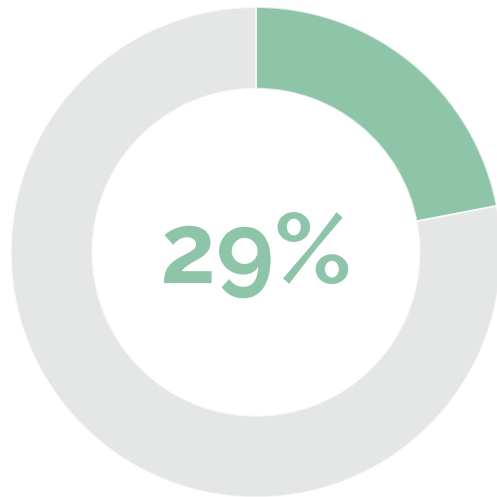
Example:



For a guide to build your ABM team, check out this worksheet: [ABM Roles and Responsibilities](#).

ABM offers an opportunity to get more out of your existing marketing budget by becoming more focused. Done correctly, ABM wastes less time, resources, and effort by filling the funnel with prospects that are a good fit for your business. With a solid ABM program in place, you will increase your average sales price (ASP).

What % of your total marketing budget do you plan to dedicated to ABM in 2018?



When asked what percent of the total marketing budget will be dedicated to ABM in 2018, the average was 29%.

Per this survey, many marketing teams reported a 45% increase in ABM budget from 2017 to 2018. In many cases, teams need to invest in ABM to drive the business outcomes they are responsible for (growth, retention, higher ASPs, cross-sell).

Furthermore, the previously mentioned study by ITSMA and the ABM Leadership Alliance supports this finding as well – 72% of companies surveyed increased their ABM budgets in 2017.

One question that remains is “where do you get the budget for ABM?” Here are a few ideas to try:

1. Use dollars from lower performing marketing programs
2. If you have some budget set aside for testing, use that to try a pilot
3. Partner with other teams to fund program or pilot
4. Bucket this under another initiative

Section 2:

The ABM Team

At a glance:

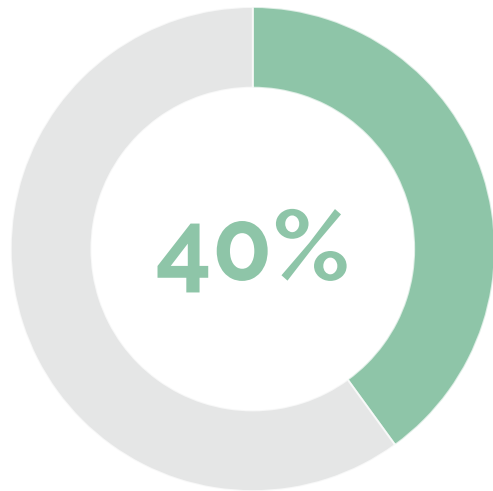
Marketing Involvement

ABM Team Ownership

Sophistication of ABM Elements

The ABM Team

What % of your overall marketing team is involved in ABM?



With this new go-to-market strategy comes new roles and responsibilities. Integrating ABM into your current go-to-market strategy doesn't necessarily require a wholesale change of your marketing organization. You can leverage your existing team to support and execute ABM. It's a matter of identifying the required roles, properly structuring your team, and aligning with sales.

On average, roughly 40% of the marketing team is involved in their ABM strategy.

The ABM Team

The reality is that you can get started with ABM right away. In fact, integrating an ABM strategy into your current strategy doesn't require a wholesale change. Call upon your current marketing team to spin up a pilot program to prove ABM success before fully investing.

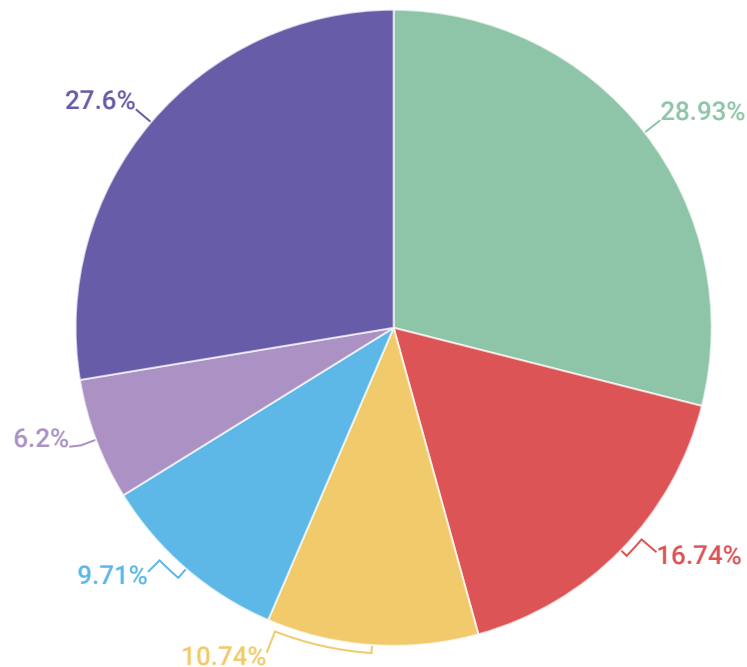
The in-house skills you harness will depend on the size and makeup of your marketing organization. Many marketing teams include the following roles in some capacity: corporate marketing, product marketing, field marketing, marketing operations and content marketing. It's important that you next assign key tasks to contributing members. Answer questions like: Who helps determine your optimal business segments and your Ideal Customer Profile (ICP)? Who reviews account data on a regular basis? Who drives orchestrated play strategy and execution? Who communicates key information to sales?

Here is one simple example of how to leverage people you already have:



The ABM Team

A critical step for any successful business initiative is to have a dedicated owner that can drive an initiative. Per this survey, here is who is currently owning ABM within companies:



Who is currently the owner of ABM in your organization?

- CMO/VP Marketing
- Head of Demand Gen
- Sales
- Head of Marketing Operations
- Head of Digital Marketing
- Other

28.9% of respondents reported that the "CMO/VP of Marketing" is the owner of ABM at their companies.

The ABM Team

Finding the right person to lead your ABM initiative can be the difference between success and failure. It is a large undertaking and takes vision, strategy, and execution in order to do it well. One of the most exciting findings is that there are more organizations hiring headcount solely dedicated to ABM. It shows a strong commitment to this proven B2B marketing strategy.

Whether you're hiring someone to lead your ABM initiatives or finding someone within your own organization, here are the key traits to look for. ABM leaders are:

- Seasoned, senior B2B marketers
- Intellectually curious
- Well-rounded team players
- Able to hold their own with account executives
- Insightful about the nuances of the buyer process
- Well versed in monitoring and optimizing marketing across channels
- Experienced with solution marketing and/or field marketing
- Adept at leading teams and managing relationships and projects

Describe your sophistication in ABM areas



The ABM Team

A lot has been written about sales and marketing alignment, so it's great to see that the market is heeding this advice. After all, ABM is a team sport. If you don't have buy-in and alignment, it's going to be hard for you to execute cross-functionally and see the full benefits of ABM. Here are some helpful considerations:

Checklist for Building Alignment

- ✓ **DO** know why you're doing ABM
- ✓ **DO** position it as a strategic initiative
- ✓ **DON'T** describe ABM as 'the next big marketing campaign'
- ✓ **DO** sell it to Sales
- ✓ **DON'T** tell Sales which accounts to go after. (They don't want to be told who to sell to). Get their input and make it a joint process
- ✓ **DO** agree on resources committed to each style of ABM accounts
- ✓ **DON'T** expect results overnight; big wins in ABM can take a while
- ✓ **DO** over-communicate to let everyone know what's happening

When asked to rate their company's sophistication in core ABM areas, the top 3 answers, in order, were
1) Sales and Marketing alignment;
2) Establishing an account foundation;
and 3) Running ABM plays.

When we look at the other end of the spectrum where companies rated themselves the lowest in their sophistication, we see "Measurement of ABM." Measurement has been standardized in traditional demand generation, and there are myriads of tools to support the analysis of important metrics. But the same cannot be said in the account-based world.

Section 3:

ABM

Measurement

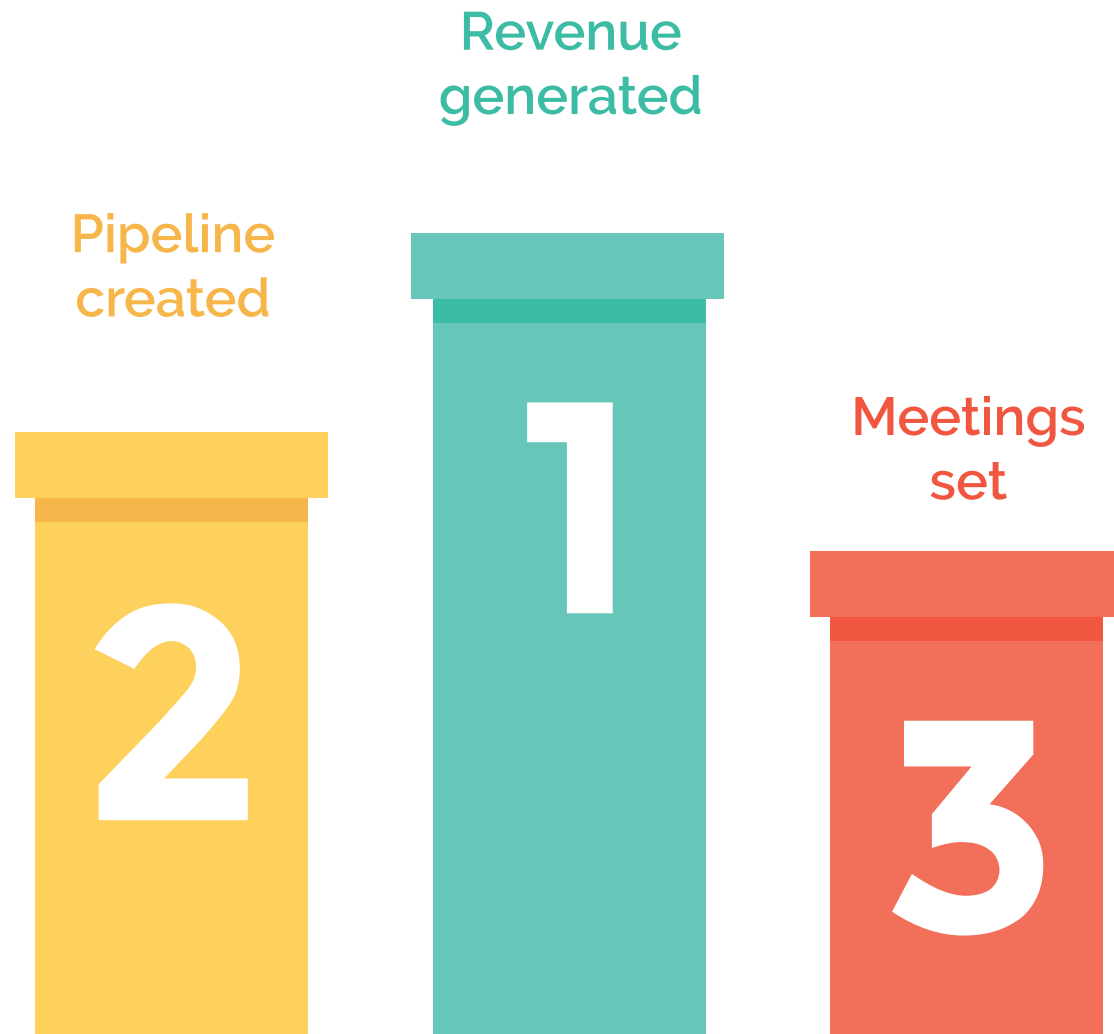
At a glance:

AMB Metrics

Measurement Support

ABM Measurement

What ABM measurement do you track?



ABM Measurement

"Revenue generated" was the #1 reported metric for organizations doing ABM.

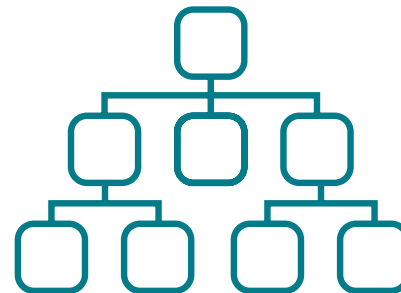
There's no surprise here. But what was surprising was that the top reported metrics were the same metrics that demand generation marketers track. Metrics are crucial for all marketers, and the rise of ABM requires a new way of thinking about measuring success. By definition, lead-based metrics are insufficient for ABM because the old models count every lead as "the same." In ABM, we certainly know this is not the case.

Demand Gen



"Person-centric"

Account Based Marketing



"Account-centric"

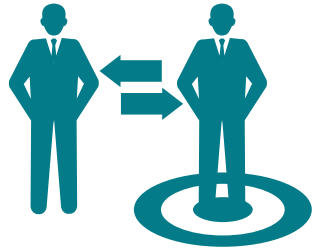
- Decision maker
- End users
- Influencers

Up to 17 people influence enterprise purchases (up from 10 in 2011)

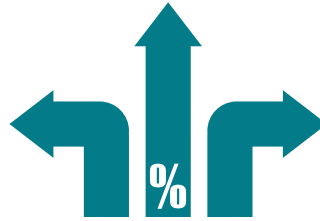
Ultimately, you must connect your ABM initiatives to revenue generated. However, with longer sales cycles, multiple people involved on both sides of the table, and many touch points, measurement and attribution can be hard without the right tools.

ABM Measurement

It is about asking the right question, at the right time:



1. We just launched the pilot/initiative - are we engaging people at our target accounts?



2. What % of our accounts are we progressing to the next stage? - ex: meetings, pipeline, cross-sell?



3. We ran four types of program initiatives - which worked best?

There are three main categories of ABM analytics:

- **Engagement:** Am I creating and deepening relationships with target accounts? You can evaluate engagement for EARLY stages of ABM initiatives.
- **Journeys:** How do accounts move through buying journeys to desired outcomes (e.g. pipeline and revenue)? This is a mid-stage measurement - are you doing a good job moving accounts to the next stage (ex: MQA -> opportunity)
- **Attribution:** Which marketing activities work? What is the return on investment of my marketing programs'?

ABM Measurement

Where would you like to see more ABM content published by analysts or vendors?



ABM Measurement

When asked what content they'd like to see published more, the #1 topic was "measuring the impact of ABM."

In ABM, teams need a quantifiable way of measuring success as accounts develop and progress through the stages to becoming a customer. Here is a helpful framework to use:

The Framework for ABM Analytics		
TYPE	METRIC	DESCRIPTION
Accounts	Engagement	Am I creating and deepening relationships with my target accounts?
Journeys	Outcomes	How do accounts move through their buying journeys towards the outcomes (pipeline, revenue) we care about?
Programs	ROI	What is the marketing return on investment on my programs (multi-touch attribution)?

For a deep dive into how you can measure each of these three categories and for a full understanding of ABM analytics in general, download Engagio's [Clear and Complete Guide to ABM Analytics](#).

Section 4:

ABM

Challenges

At a glance:

Anticipations for 2018

The Biggest Risks

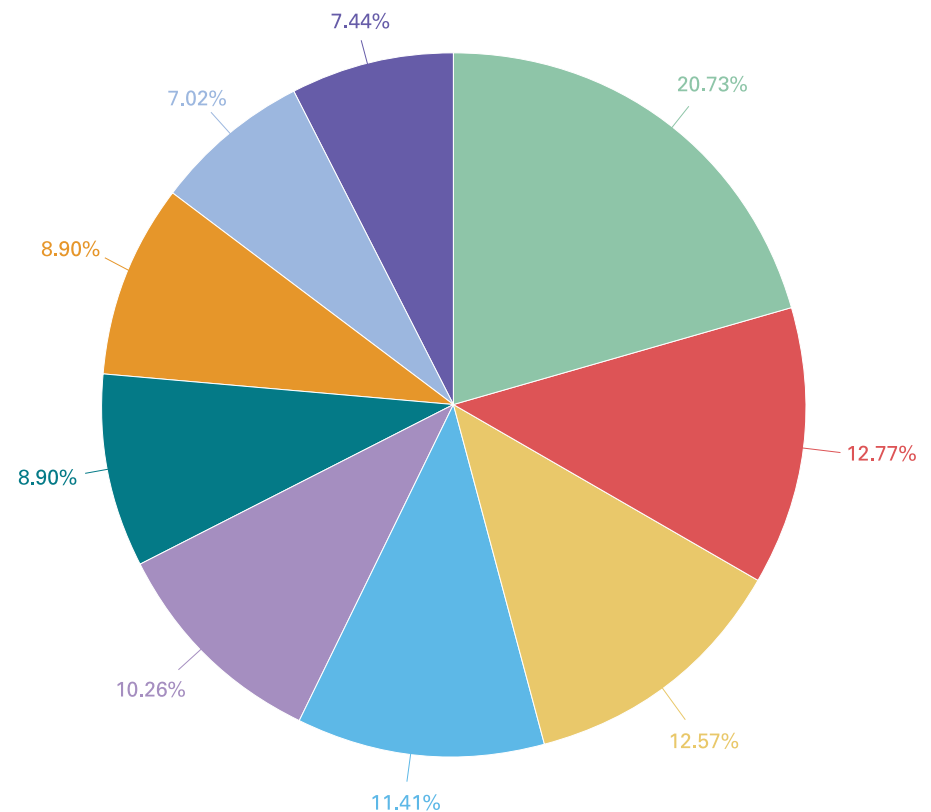
Revenue from New vs Existing
Business

ABM Challenges

What do you anticipate will be the greatest challenge for ABM in 2018?

- Getting buy-in for ABM
- Measuring impact of ABM & attribution
- Orchestrating account interactions & running plays
- Creating content for accounts
- Developing account plans & insights
- Establishing an account foundation
- Mapping & acquiring contact data
- Prioritizing accounts & scoring
- Other

The biggest challenge organizations anticipate facing in 2018 is "getting buy-in for ABM."



ABM Challenges

Many marketing leaders are convinced ABM is the right strategy. However, the most significant hurdle is selling it internally to executive leadership, the board, and other stakeholders. Gaining organizational alignment and getting others to see value may take time, but it's a crucial first step in a successful ABM rollout.

If you find yourself struggling to get buy-in, we recommend putting together a presentation that sells the value of ABM. In this presentation, you'll want to include a few key things:

- **An Executive Summary** that provides context for the conversation.
- **What and Why** ABM is a fit for your company.
- **Requirements** and essential elements of what a good ABM solution entails. Include requirements for these three key areas:
 - **Foundation** – A system that matches all leads to their respective accounts and aggregates account data in a single source.
 - **Execution** – A solution that enables your entire organization to orchestrate plays and create engagement at high-value accounts.
 - **Measurement and Metrics** – A way to determine the impact of your ABM programs on key business metrics across all stages of the funnel.
- **Overall Recommendations** for how your executive team should move forward with ABM.

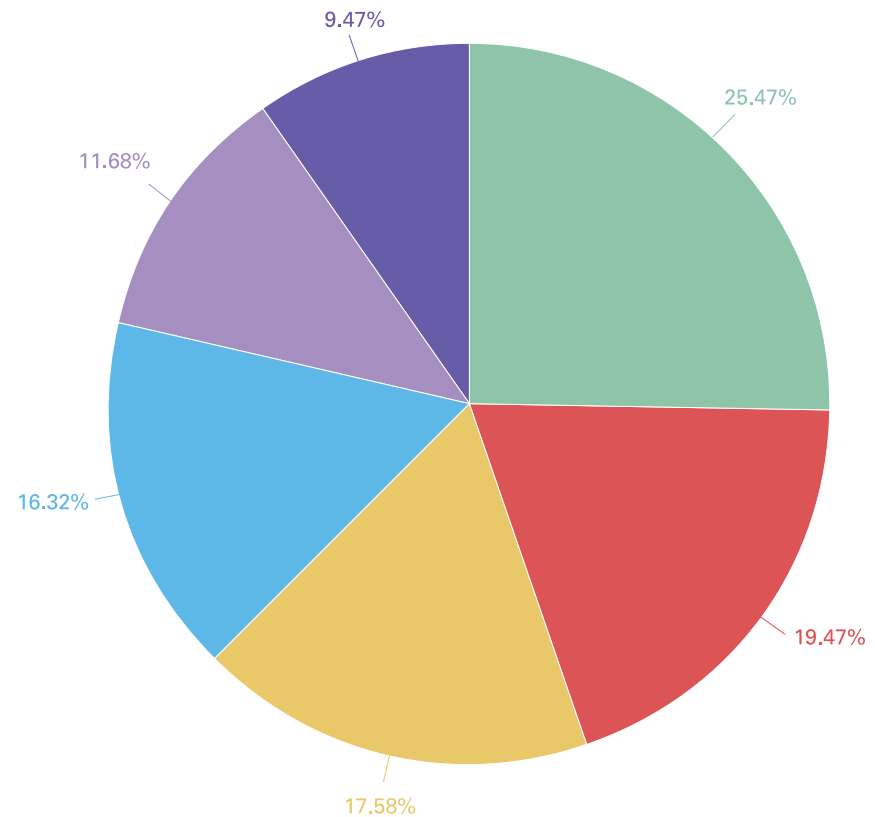
Change can be hard. ABM is a new way of approaching large opportunities. In this current groundswell of ABM, learning how to manage change is a critical component of implementing it successfully.

ABM Challenges

What is the biggest risk to ABM failing at your company?

- Lack of executorial ability
- Lack of alignment with sales
- Data quality issues
- Not being able to measure ROI
- Lack of executive buy-in
- Account selection

25.5% of respondents said the biggest risk to failing at ABM is "lack of ability to execute."



ABM Challenges

The success of any strategy is dependent upon your team's ability to execute on the strategy. Tools and technology do not make an ABM strategy successful – that task rests on the shoulder of the team. Here are some helpful tips outside of technology implementation:

1. Define what winning looks like for your team (Figure 1)
2. Have a revenue plan and make sure it is clear how different groups are responsible - when does Marketing act, when does Sales?
3. Identify what you will measure and when - engagement is a new concept for many people - it is a good early stage indicator. Below is an example of what you can show. Keep in mind, engagement is NOT just website traffic. It should include Sales meetings, Marketing activities, etc, (Figure 2)
4. Activate Sales - provide them with information they can act on such as the accounts that are the most engaged
5. Figure out a regular communication strategy (Ex: senior team, Sales, Marketing)

Engagement	Sales Appt	Pipeline	Opportunity Size	Win Rate
>80%	>40%	40%	45%	50%
Of target accounts.	In cross-sell with Tier One accounts	Of enterprise initial pipeline from target accounts	Increase in Opp size with product line 'A'	Higher for product line 'A' in target accounts

Figure 1

Engagement: Target Accounts = 10X Increase

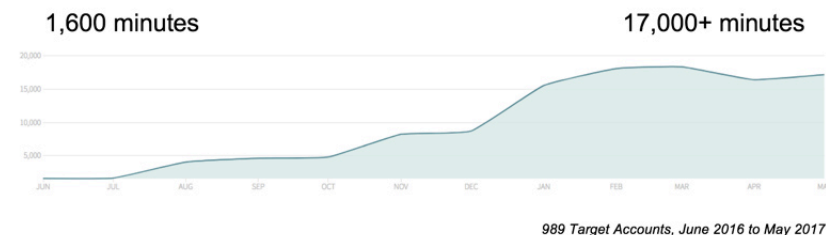


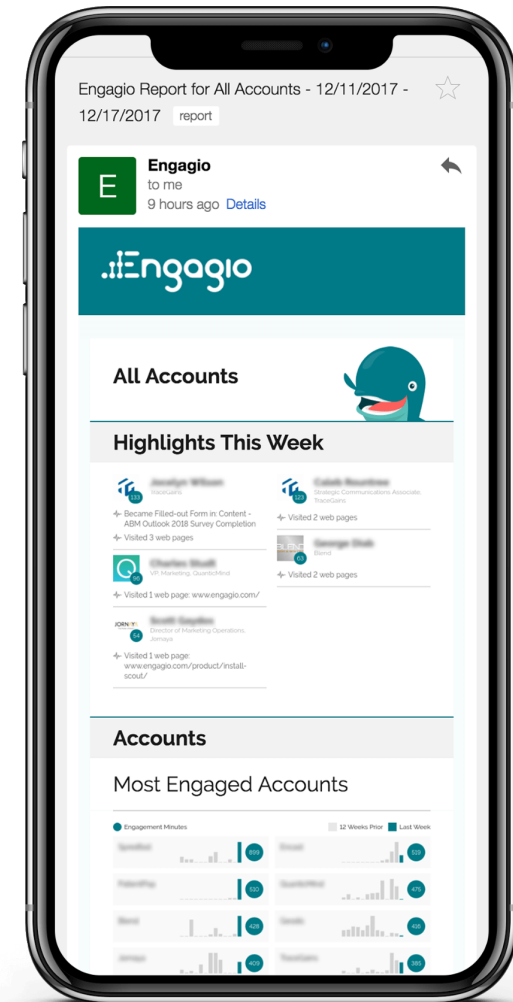
Figure 2

ABM Challenges

For many organizations, ABM is a great strategy because it isn't just for net new acquisition - it is even better for selling into existing accounts. Some companies see the majority of their growth opportunity coming from expansion or cross-sell opportunities.

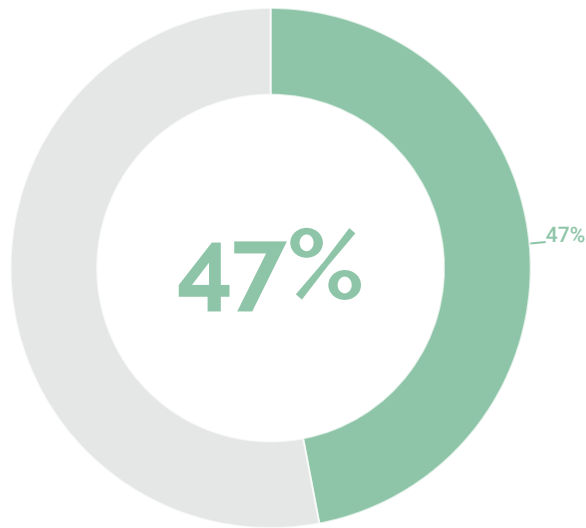
ABM is an ideal strategy for growing current accounts:

1. These accounts are already aware of your business - you can skip some pricey lead generation tactics.
2. It should be clear which of your current accounts are happy and engaged and where opportunities exist.
3. The decision maker and key stakeholders are known in most cases. It is easier for the revenue team to navigate the account and have a sense of what pain points are.



ABM provides companies with information they can act on such as the accounts that are the most engaged

What % of your company bookings in 2018 will come from new business?



Companies in our survey said they expected 53% of their 2018 company bookings to come from existing accounts.

To drive success, consider:

1. **Use Insights** – Customers are people who you already know! You can skip expensive early stage marketing tactics.
2. **Leverage Current Relationships** – You know the current buyer. Even if you are trying to get into a different department, they can help identify other key individuals.
3. **Ensure Communication is Personal and Relevant** – Customers EXPECT you to know them, so it is essential to use personalized communications, not a generic email.
4. **Develop a Play with Sales or Customer Success** – Cross-sell or expansion is a team sport! It is not just the responsibility of a single person or department. Try to use an orchestrated approach that will involve Sales and Customer Success at the right times.
5. **Measure the Impact of Initiatives** – Customer programs are equally important to measure. Understand which programs are effective and which work the best.

Section 5:

Key Takeaways and Opportunities

Key Takeaways and Opportunities

B2B marketers are under constant pressure to drive growth and deliver measurable business impact. While strategies like demand generation have their place, many marketers have started to see diminishing returns for the investment they make.

Organizations are allocating more budget, assigning more headcount and investing in more technology to support ABM efforts to drive business results in a more efficient manner.

To ensure the right impact from ABM - keep in mind these key factors:

1. Identify clear goals (new business, cross-sell, etc.) - i.e. know WHY you are using ABM
2. Be clear on how teams will be involved and participate
3. Have a thoughtful strategy on what to measure and when
4. Activate Sales and other revenue teams for maximum business impact.

For more information on Account Based Marketing, check out Engagio's **Clear and Complete Guide to Account Based Marketing**.



www.engagio.com/guide