


Are you still chasing the tail?

Tactics of Account Based Marketing





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Background

Relationships with clients have always taken center stage in the sales function. However, its importance and recognition have grown over the years. Traditionally, companies used to focus on the volume of clients and then nurture them. Over the years, the approach has reversed, where companies tend to focus on value over volume. The sales process funnel has flipped.

Account-Based Marketing (ABM) is not a new concept. It was always there in one form or the other, predominately in the form of key account management. However, key account management focuses on nurturing the account after a client gets onboarded, whereas ABM focuses on nurturing the client much before the onboard.

In 2003, ABM started getting traction in the B2B industry, and since then, it is revolutionizing the thinking of sales and marketing consultants. Furthermore, clients are getting more knowledgeable and smarter than ever, further increasing the necessity of moving from a sales-centric approach to an account centric approach with Content, Creativity, and Personalization in place.





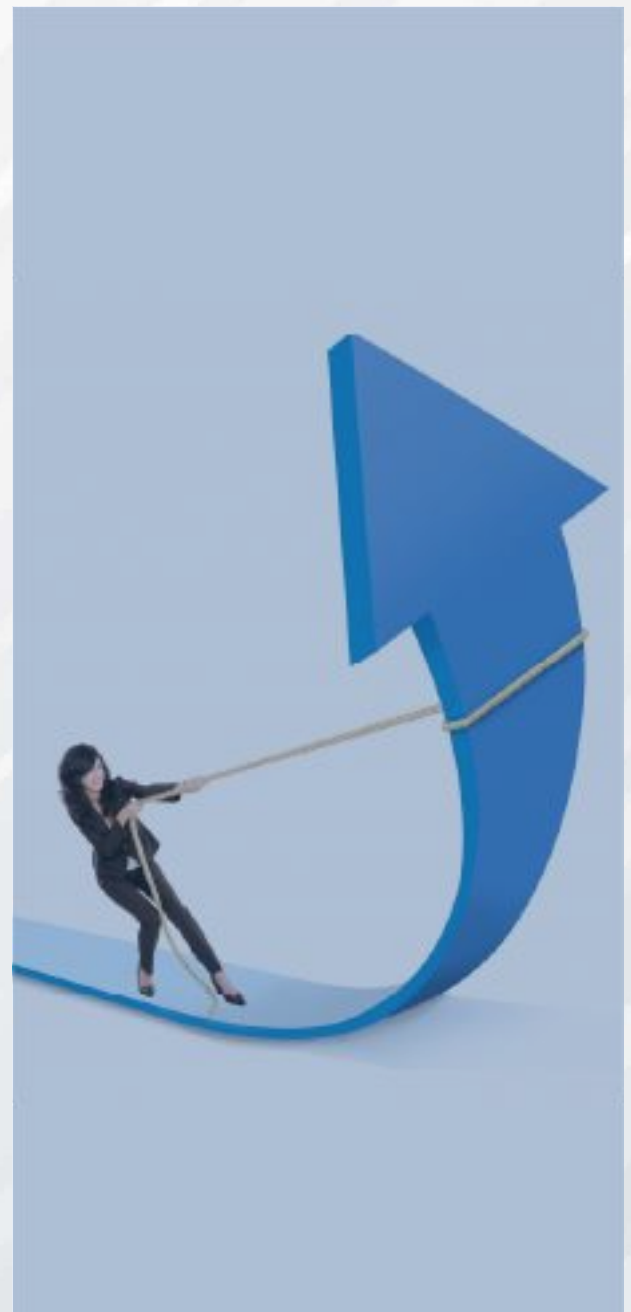
Account-based Marketing (ABM)

A land and expand marketing strategy

ABM is a highly targeted, personalized, and long-term marketing strategy that involves identifying key accounts and engaging them for long term growth. ABM focuses on various Fields of Play (FoP) of the organization like Finance, Procurement, Sales, Marketing, Talent Acquisition, etc. and identify key decision-makers in each FoP to engage them and figure out how to engage and help each FoP. ABM focuses on:

- > One to one relationship
- > Becoming a trusted advisor rather than a sales consultant
- > Educating customers in their buying journey
- > Customer success in every engagement
- > The key account becomes the land to farm for the sales reps

Most organization's revenue trend follows Pareto rule, which says an organization makes 80% of its revenue from 20% of its clients, while rest 20% of the revenue comes from the 80% of clients, known as the **tail**.





Cost of the tail

In a research, [Forbes](#) has shared that organizations can grow their businesses if business savvy owners utilize the Pareto Principle appropriately. Despite knowing how to benefit the 80/20 rule, many organizations continue to invest their time and resources on accounts generating low revenue.

The Pareto principle allows organizations to identify that their revenue-generating source is not distributed evenly.

For example, you have a total of 1000 clients with a sales team of 5 representatives. Out of which 200 customers are the large clients generating 80% of the revenue while the rest 800 generates only 20% of the revenue. If three sales representatives chase those 800 clients, and assume each rep works for 100 hours a month, which sums to 1200 hours a year, i.e.

3600 hours are being spent by 3 reps on 800 clients, which generates only 20% of the total revenue.

Should you continue chasing the tail or plan for an ABM strategy?





Devising an Account-Based Marketing Strategy

- › **Prioritize accounts:** The most crucial element in the account-based marketing is prioritizing accounts. Once you know which accounts you are the most important and you wish to target them; you can start executing your ABM strategy. Steps to prioritize accounts are as following:
 - › Analyse the company performance whether they are performing well in terms of revenue, margins etc.; how much money company is making
 - › Conduct a comprehensive account revenue analysis for last three years basis CAGR growth, Margins and Current Pipeline; how much money you made form the account
 - › Identify which accounts have maintained growth year over year and had a long-term relationship with you
 - › Identify which accounts have strong potential to grow in future basis the current pipeline
 - › Identify which accounts meet or exceed your margins
- › **Develop Insights for key accounts:** Research on your key accounts, create deep dive company profiles and analyse their issues and strategies. Annual Reports are one of the easy and quick way to align your thoughts with their vision. Create account specific **playbooks** that talks about:
 - › Who are the key influencers?
 - › What are their key industries and focus areas?
 - › What are their key issues and strategies?
 - › What are their key investment areas?
 - › What is the market share of the organization?
 - › Your account plan and strategy - who will do what and by when
- › **Tailored content for your key accounts:** To get your ABM campaigns effectively running, you must understand that ABM is a two-faced tool that operates on speed and relevance.



Good quality content is of sheer waste if the right audience cannot read it. Studies have shown that prospects value relevant content 82% more than irrelevant content. Furthermore, 67% of content targeted to a specific role is considered more valuable.

Share the most relevant content to their industry, for ex: if client is in consumer goods sector; share insights on how packaging industry is shaping up with new technologies.

- › **Identify key relationships:** Identify the key influencers and create a relationship map whether they are your ally, new relationship or unknown. Basis that, you shall focus on engaging with the key stakeholders to create personal rep and build long term relationships. You shall share the relevant content with these stakeholders and setup one-one meetings to understand their priorities.

- › **Monitor accounts & revision of strategy:** The current market scenario is extremely responsive. Hence, as soon as you look to press the throttle and go aggressive, the market dynamics change almost immediately. Hence, teams must be prepared with a plan and a backup plan as well. This will help you in keeping yourselves from the horror of thinking at your feet. It will, furthermore, allow you to identify the loopholes and come up with a better strategy.





Benefits of Account-Based Marketing



- **Aligns sales and marketing:** Research indicates that 80% of the vendors are more productive when they perform account base marketing.



- **ROI:** Account base marketing generate ROI 87% faster otherwise.



- **Rise in revenue:** 91% of the brands which have indulged in account-based marketing tends to increase their market share.

The executioners and the think-tank, think alike: ABM narrows down the focus on the prospects in the sale funnel. It further enables you to harness the quality of services these key accounts are looking for. Superofficev, in one of their research, shared that ABM aligns marketing and sales strategy with each other. They are making organizations 80% more since both these teams work very closely.

High on returns: Buyer's journey begins even before they interact with a sales team. A sound ABM allows you to save both time and money since it greases various touchpoints that begin at points before customers interact with the sales team. ABM only looks at a selected few accounts

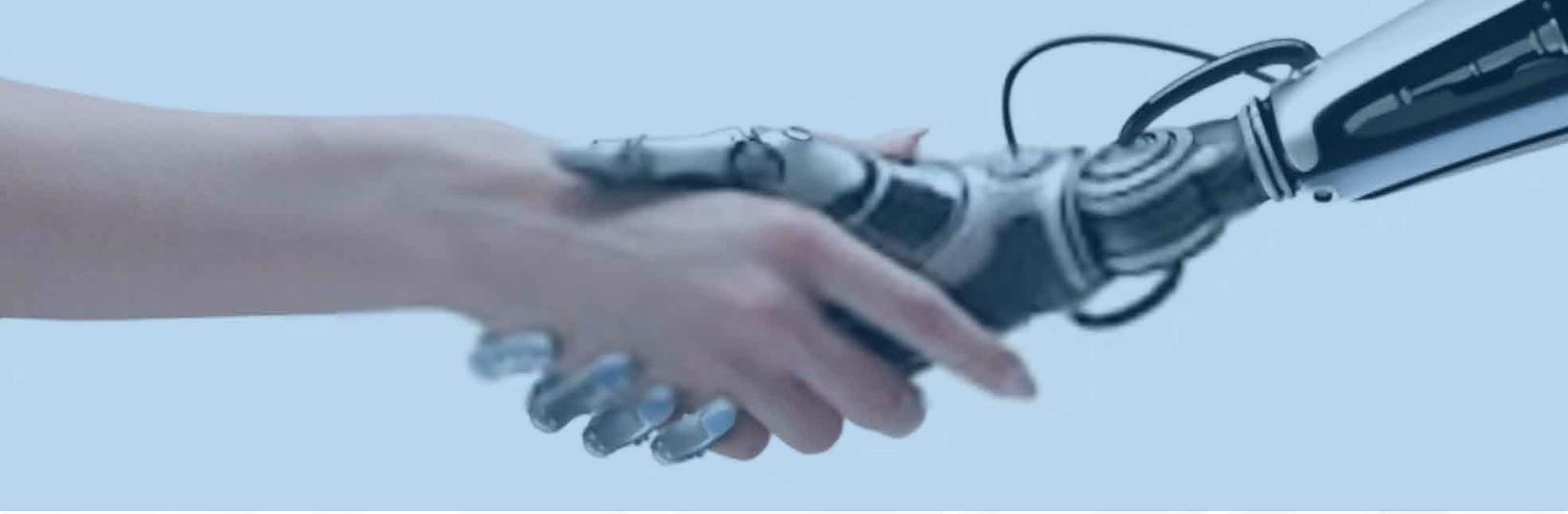
having high overall lifetime value. Where personalized ABM strategies generate more ROI in the B2B sector, it has further been seen that ABM generates 87% more returns.

Improves customer experience:

ABM is one of the most personalized strategies taken up by marketers. That enables them to engage the target audience with account-based experience in a unified manner. This enhances traditional leads by targeting people connected with the tied accounts by utilizing sales through the whole customer lifecycle.

Increases revenue: ABM replaces the process of finding more leads to locating most suited and the best leads. They allow vendors to target accounts that fit well and generate more funds instead of wasting funds on bad clients. Sirius Decisions has shared that investing in ABM has enabled 91% of the brands to increase their average market share.





Future of Account-Based Marketing

More Automation: Technology, specially, AI techniques will make the ABM to new level of personalization and automation. AI is expected to help organizations to identify and justify the accounts they should be pursuing

Predictive Analytics: Advanced Analytics will enhance attribution in an ABM Context to develop an understanding about the ideal customer. And will help you in identifying tailor made messages and content to engage customers.

Leveraging of social insights: Social media platforms is the best place to explore what is happening with an organization.

This would allow vendors in preparing a pitch and sharing it with the account in time.

Retargeting: Studies have confirmed that most of the decision-making process occurs even before the prospects appear on the radar. With the data about who visited your site, interacted with social media posts prospects can be done in advance and save your marketing efforts if there is a need for retargeting.



About BidsandBeyond

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