

# What's So New About ABM?



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## Surely, B2B Sales & Marketing has always targeted accounts!

Account-Based Marketing (ABM) has received a significant amount of attention from B2B companies in the last 7-8 years, with most people using the term to signify a switch away from a focus on the generation of individual leads (enquiries) to a focus on Accounts – or companies.



In particular I want to examine the claims of platform vendors, who have led the charge on what ABM is, such as DemandBase, Terminus, Triblio and Engagio to the actual steps being taken by B2B companies to grow their share of wallet from strategic target accounts, whether or not customers.

But how new is the idea of marketing and selling to individual, or a small number of, target accounts? How is this different from what used to be known as a 'named account' strategy or from a 'Key Account' strategy. Most important for Marketing, what do we need to know to execute a successful ABM strategy and how much of our resources and effort in demand generation should be focused on ABM rather than on broader market segments?

## 1:1 Marketing, KAM, ABM and Named Accounts – Confused?

It is worth spending some time to define terms, particularly as ABM seems to mean different things to different people – and, in my experience, even those marketers 'doing ABM' talk about different use cases covering advertising, data (CDP) and content. So is ABM more than cookies, first/ second/third-party data, 'intent' and reverse IP?

There seems to be [general agreement](#) that the term 'ABM' was first introduced by ITSMA in 2004. But in [this blog by Bev Burgess](#) in 2016, she acknowledges that its origins lie with the book by [Don Peppers and Martha Rogers](#), as far back as 1993 – 'The One to One Future'. The graphic included in the blog provides a useful timeline overview. ABM is defined, [in this reading](#) as:

'.. a highly targeted approach that emphasizes *relationship development* (my emphasis) by treating an individual account as a market in its own right. Among other things, ABM improves relationships, improves lead generation, and increases profitability with key accounts.'

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ITSMA: 'Account-Based Marketing: Strengthening Relationships and Profitability with Key Accounts', June, 2007

However, there is a recognition on the organisation's homepage, at time of writing, that ABM can refer to 1:1 marketing, 1 to few, or indeed, '[Programmatic ABM](#)' which is where most platform vendors seem to be focused.

[McKinsey](#) draw a direct relationship between ABM and **Key Account** strategies in a [2019 article](#), in which they describe the impact that digital has had on Key Account Management (KAM) strategies and the role of ABM:

'ABM engages a target set of accounts with *personalized content* through web pages, email, and digital ads, as well as through professional social platforms such as LinkedIn. Key accounts are prime targets for ABM, given the volume of their business and the *depth of knowledge* (my emphasis) about the accounts, which make it easier to truly tailor marketing content....ABM differs from traditional content and digital marketing in both the *degree of targeting*—a narrow set of accounts rather than casting a wide net—and the degree of *personalization*.'

This sounds quite different from some of the claims for ABM made by '[ABM platform](#)' vendors and as ITSMA stated in their [2017 article](#) on ABM:

'Today, based on the great success of early adopters, as well as changes in the broader marketing and technology environment, ABM is suddenly being hyped as *the next great revolution in B2B marketing*. Vendors and pundits are making great claims about ABM transforming all of marketing.' (my emphasis)

The article goes on to say that this is causing great confusion on what ABM actually is. With that I would agree.

They explicitly outline 4 Steps to successful ABM and position ABM itself as just one, albeit an important, element of a key Account Strategy, which they see as a 'whole business' proposition – not just owned within Sales and with Marketing playing a supporting role. This is echoed by a [2012 Harvard Business Review \(HBR\) article](#) in which their main recommendations are: support from the Executive is important; start small; and recognise the sales offers to these accounts, and how they are made, will be very different to those offered to the broader market.



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We have established that ABM is not new, that it is a bedfellow of KAM, targets a small number of selected companies and that it comes in more than one flavour. So, what should you answer when asked what is Marketing's 'ABM strategy'?

## Customer Accounts, Prospects and the Sales-Marketing Divide

If ABM is a means of selling more to a small number of accounts this raises some questions that are not dissimilar to the ones Marketing should always be asking when designing programmes:

1. What is the objective and how do we measure results?
2. How are the targets being selected – what is it we know that suggests targeting these accounts particularly?
3. What is Marketing's role in the ABM process and how is it different from lead/ funnel-driven responsibilities?
4. Who are the target personas within the selected accounts and how do we determine sales and marketing responsibilities for reaching them?
5. How do we manage the interpretation of account, contact and opportunity data in our current systems to assess performance of our ABM strategy?

Selling more to certain target accounts sounds a lot like 'named account selling', an approach which the best salespeople have been using for many years – and not just waiting around for an 'MQL' from Marketing. In this [featured snippet on Google](#), the importance of named accounts is described as:

'Instead of working a long list of unrelated leads, named accounts push reps to take responsibility for *engaging multiple prospects within one company*. It's a much more effective way to sell to prospects and gets results. Here's why your sales team should stop chasing leads and start working named accounts.' (my emphasis)

The article goes on to introduce concepts that we should all now be familiar with:

- the 2017 CEB research that says on average [6.8 people are involved in a B2B buying decision](#) (up from 5.4 when the original research was conducted)
- 'whole account' selling avoids reliance on a single internal 'sales champion'
- different personas involved in the decision have different needs/ influences that can be dealt with by networking through the account.



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Advanced sales organisations have therefore been targeting fewer accounts in more depth for some years and getting better revenue conversion. [ITSMA reports \(2018\)](#) that companies with successful ABM programmes (using their definition) saw a 10% improvement in ROI, with leaders achieving 45% increase in ROI.

But if ABM is a new name for a relatively old concept, what has changed that has brought Marketing onto centre stage? The simple answer is the digital revolution and marketing technology.

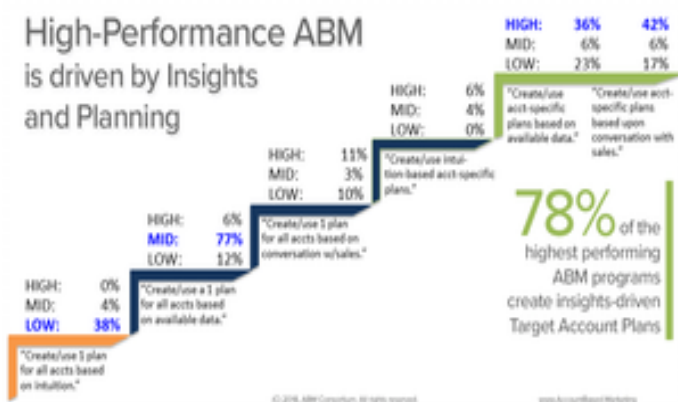
The [buying journey](#) is [increasingly online](#), involves more people and is fragmented across [more channels](#). Getting to these buyers/ influencers digitally requires [content](#) and [data insights](#) from engagement that are typically the domain of Marketing. Alignment of Sales and Marketing strategically becomes critical in ABM.

Which gets us back to the questions posited earlier and which Marketing needs to be clear about to contribute to this go-to-market strategy: what is the intelligence we have, how is it being shared across functional teams, how is it held, processed, tracked, reported on for operational and performance reporting purposes? We are now in the domain of Sales & [Marketing Operations](#).

So what has primarily changed with ABM today, is the focus on achieving organisational and cultural readiness for the business to plan around the targeting of a small number of accounts. Each company has to determine where to start – maybe in a handful of large, existing customers – and how Sales and Marketing structures need to change to work in a more collaborative way to achieve success.

The traditional sales and marketing conflicts will need to be addressed – in ABM accounts it is no longer about who has **sourced** a lead, but how, together, Sales and Marketing have executed a ‘play’ (to use an American football analogy) that delivers a shared performance objective against which we are both measured and incentivised. It is a team sport. Measurement of [Marketing's influence](#) on the outcome may be much harder to measure, but greater collaboration can only be a good thing.

I will leave you with [this thought](#) from last year on how the traditional lead funnel and the ‘new’ flipped funnel need to come together, so that demand generation, ABM, customer expansion and customer advocacy can finally become part of a single journey – but with a recognition that there is no single approach that fits all customers and prospects:



‘Now it’s time for marketing to pitch in. A headlong push for advocacy will never create meaningful, measurable growth. Instead, B2B marketers should take the best elements from both approaches—ABM and traditional lead gen. Build a strategy that can address the whole buyer’s journey and target key accounts but doesn’t neglect lead management and the critical transaction stage.’

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