

TECH



Finding your North Star.

A senior marketing executive at a human resources software company is baffled. Despite investing in marketing automation two years back, the sales pipeline is thin, conversion rates are down, sales reps are frustrated, and he's just learned that his marketing budget will be slashed—again—in the coming year. After a quick review of the company's marketing activities, he wonders what went wrong. All the boxes were checked: email

marketing, social media outreach, online display advertising. Yet competitors seemed to be the ones getting the biggest deals.

This scenario could be played out for any number of B2B companies that are still trying to find the secret to attracting, converting, and retaining customers. But with account-based marketing, many companies have discovered a burst of light in the night sky. Using account-based marketing, organizations can better predict and target high-value prospects that are most likely to purchase. These prospects are B2B's equivalent to the North Star. By balancing business objectives with their ideal customer profile, organizations can focus a lion's share of their marketing efforts on targeted accounts. Less wasted effort. More return on marketing investments.



Beware the perfect storm.

Three elements in the high-tech market are converging to create a perfect storm that will prompt companies to abandon traditional marketing methods, like mass lead generation, in favor of more targeted, personalized tactics focused on specific accounts.

1

Competition is fierce.

When respondents were asked: on a scale of 1–10 (1=low, 10=high), B2B decision-makers placed the level of competition in the high-tech industry at 7.64 in 2016, bumping it up to 8.12 in 2017.¹ The intensity is rising for two reasons: Established high-tech vendors are adding disruptive technologies to their existing offerings, and new disruptive companies are entering the market at a dizzying pace.² In the marketing technology landscape alone, the number of vendors grew 87 percent, from about 2,000 vendors in 2015 to approximately 3,750 vendors in 2016.³

2

The planning table is crowded.

Due to the sheer volume of vendor options and readily available information, as well as the number of stakeholders involved in purchasing decisions, the B2B sales cycle is long and complex, frustrating buyers and sellers alike. On average, B2B buyers find that the buying cycle is 97 percent longer than they anticipated.⁴ In addition, because B2B purchasing decisions are typically made by a group of diverse people with different interests and assumptions, the chance of closing a sale becomes even more elusive.

According to a study by CEB, the likelihood of a purchase goes down as the number of decision-makers increases.⁵ This is bad news for high-tech B2B marketers, since the number of decision-makers required for approving big-ticket purchases is rising.



Up to 17 people influence the typical enterprise purchase —up from 10 in 2011.

— IDG Enterprise Role & Influence of the Technology Decision-Maker Survey, 2014.⁶

To win over groups like these, suppliers must bridge differences in priorities and help decision-makers reach common ground by emphasizing shared goals and objectives.

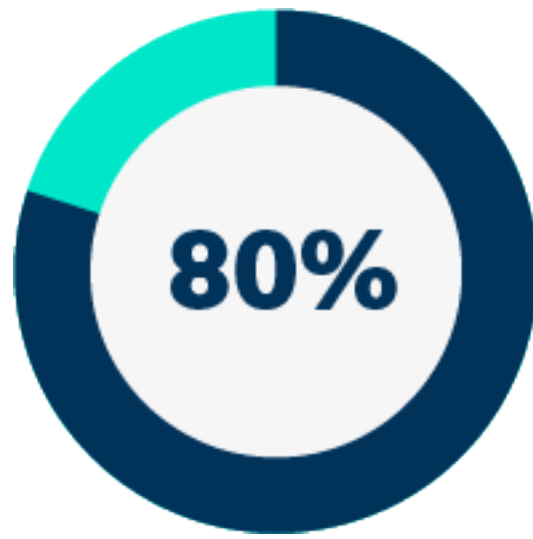
3

Marketing budgets are limited.

Even though competition is rising and buying has become more complex, marketing budgets just don't seem to be keeping step with these challenges. A recent study by IDC shows that 2015 marketing budgets across hardware, software, and tech services increased only 1.3 percent over the previous year,⁷ making it more important than ever to spend each dollar as wisely as possible.

One noted exception is the fast-growing cloud software sector, which saw a 13 percent increase in marketing budget.⁸ In addition to rapid growth, these extra dollars could be attributed to the fact that for cloud and Software as a Service (SaaS) companies, marketing must support a subscription-based lifecycle, which means additional resources are needed to track, convert, and prevent churn after the sale. This includes providing ongoing communications on scheduled upgrades and education on new features.

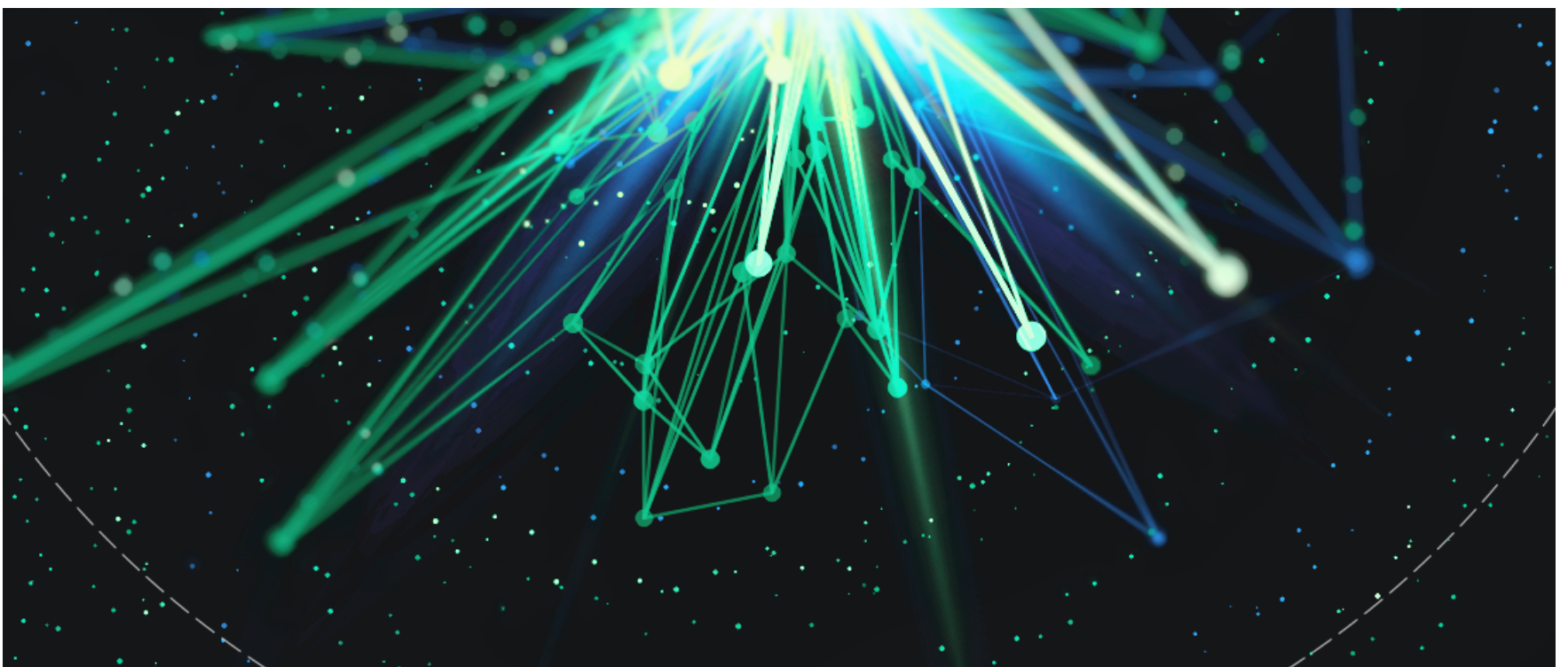
Regardless of sector, the need to demonstrate ROI and value against spend still poses a challenge to marketers. Unfortunately, marketing activities have historically been branded as soft, rather than contributing to the bottom line, and today's marketers still have a hard time getting their heads around those ROI numbers.



80% of marketing executives find it difficult to demonstrate the ROI of their spending, campaigns, and marketing activities to upper management.

— The Fournaise Marketing Group⁹

As these elements intensify, it will become increasingly vital to make the most of your marketing dollars and to measure the value of each marketing investment.



Account-based marketing: Star light, star bright.

Sales and marketing have their differences when making decisions on marketing spend and measuring the value of that spend. This is especially prevalent when discussing lead quality and marketing contribution towards sales goals. The problem is that many times, these two functions don't seem to share the same guiding light. Like their B2C counterparts, many B2B marketing teams typically define a lead as an individual, rather than a business. With a focus on mass lead generation, these marketers believe that more is better. Unfortunately, sales teams don't share these views or definitions and, as a result, do not value these leads. Research shows that 50 percent of marketing-generated leads are never followed up by sales.¹⁰



“Despite all of the innovation that’s happened over the past four or five years, and all of the investment in marketing technology, I still hear the same three things over and over again: My advertising doesn’t work. My website sucks. And the sales guys don’t follow up on my leads.”

Peter Isaacson

CMO, Demandbase¹¹

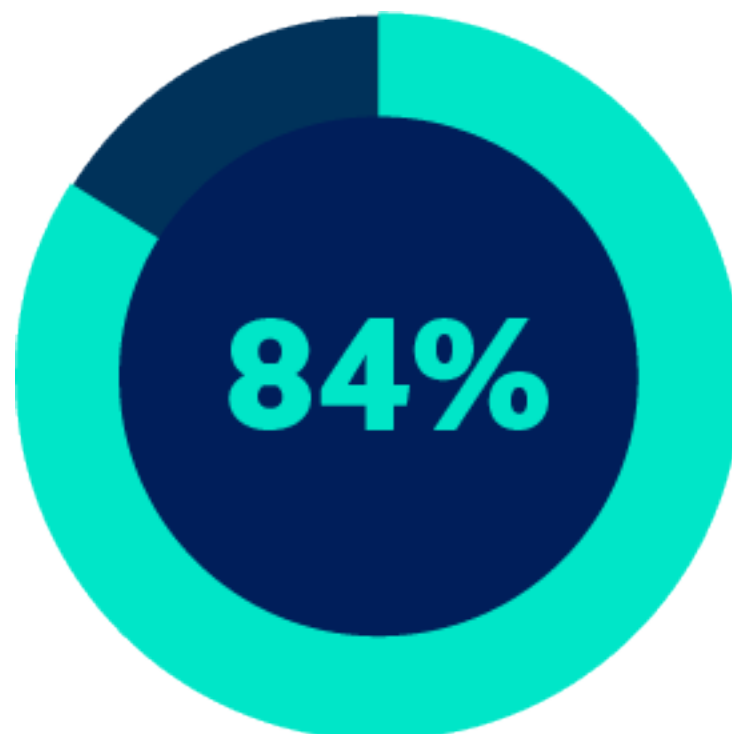
Sales, on the other hand, focuses on opportunities, targeting a select group of buyers and influencers within an account in order to close the deal. They are assigned to accounts, not individuals, so they engage accounts as a whole. Therein lies the dilemma: Marketing is wasting its efforts on leads that sales can’t or won’t use.

Account-based marketing can help end the feud between sales and marketing and provide the burst of energy you need to soar above the competition. Although account-based marketing has been around for many years, emerging technologies have allowed companies to practice it at scale, making it all the rage for today’s B2B high-tech marketers.

Account-based marketing is picking up speed all over the tech industry, with sales intelligence, predictive analytics, retargeting and marketing analytics vendors all adapting their products or marketing to support the strategy.¹² For example, IP-based targeting technologies allow marketers to direct online advertising to companies and personalize experiences for target accounts.

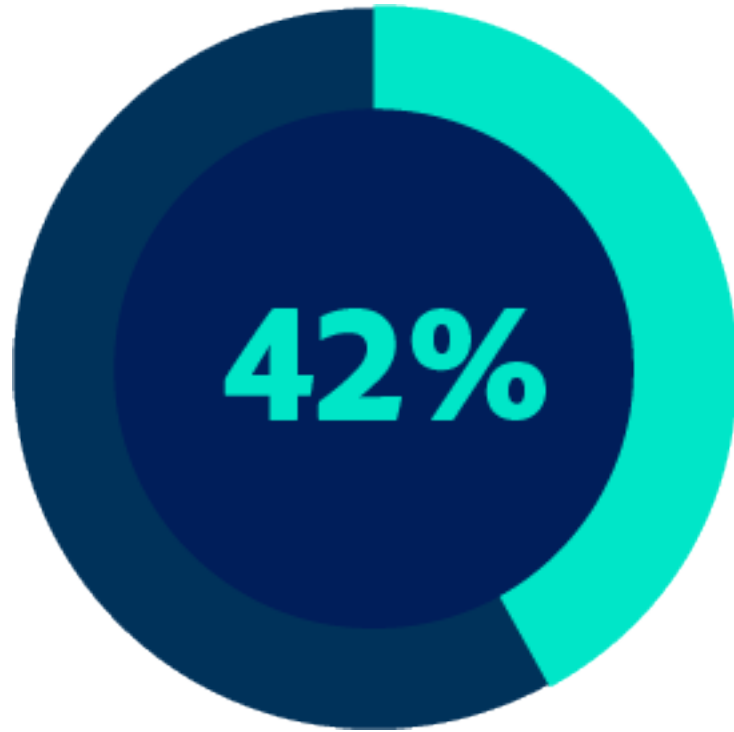
Not only that, but the adoption of account-based marketing as a priority among B2B companies is rapidly expanding. More than 70 percent of B2B companies have staff that are fully or partially responsible for driving programs specific to account-based marketing.¹³ Sixty-one percent of B2B companies using account-based marketing plan to invest more in technology in the coming year.¹⁴

Finally, when it comes to ROI, account-based marketing delivers. ITSMA, the organization that pioneered the account-based marketing concept and coined the phrase “account-based marketing” back in 2003 states: “Account-based marketing delivers the highest return on investment of any B2B marketing strategy or tactic. Period.”¹⁵



84% of marketers say that ROI is higher for account-based marketing efforts than

other marketing investments.





Why B2B marketers need account-based marketing.



Focuses on best-fit opportunities.

With account-based marketing, you apply resources only to those accounts that align with your value proposition and price point, instead of wasting energy on accounts and individuals that are not likely to buy.



Supports the sales reality.

B2B purchases typically involve long sales cycles and require approvals from multiple decision-makers. Account-based marketing aligns marketing and sales to focus on the account-based as a whole in order to reach every influencer and member of the buying committee, instead of just one or two individuals.



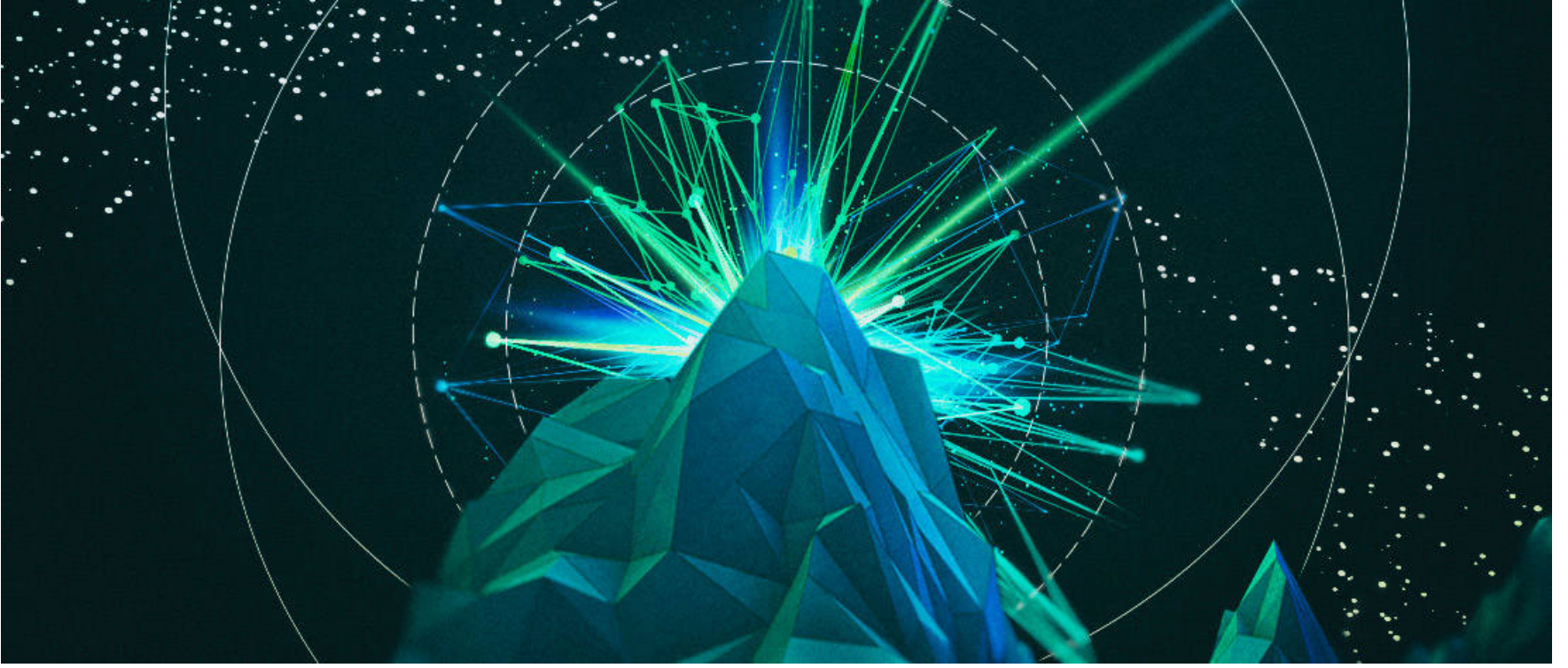
Delivers customer-centric experiences.

It's almost impossible to deliver customer-centric experiences when you're chasing hundreds of thousands of accounts. Focusing on a manageable number of customers makes it realistic to deliver personalized and relevant experiences.



Connects marketing to revenue.

Account-based marketing goes beyond traditional conversion marketing metrics, like click-through rates and site traffic, and ties marketing activities to actual revenue. You can track everything at the account level throughout the entire customer journey to better demonstrate business value to senior executives.



Reach for the stars with account-based marketing.

Guided by their North Star, B2B companies across industries are celebrating their successes with account-based marketing.



96 percent of B2B organizations say account-based marketing has positively impacted their marketing efforts.¹⁷

—Account-Based Marketing Adoption Benchmark Report, Demandbase.

CSC, an IT services company, realized a 44 percent lift over previous campaigns through targeted advertising to their key accounts. Using technologies such as IP identification to scale their efforts, they gained 23 new company leads and increased engagement in 53 of their targeted accounts.¹⁸

Demandbase saw significant increases in conversion rates, closing rates, and annual contract value (ACV) by teaming up their sales and marketing teams to identify shared goals and metrics around their best-fit accounts.¹⁹ The company's CEO, Peter Isaacson, puts the "sweet spot" for account-based marketing at scale at between 50 and 5,000 accounts, separated into different buckets by industry, size, attributes, or lifecycle stage. Any more than this, and you're

getting into mass lead generation territory, he says.²⁰

With account-based marketing, you, too, can uncover those flickers of light that will guide you to the biggest opportunities and deals. Account-based marketing can help you maintain a clean and focused sales pipeline, keep conversions climbing, and generate the returns you need to prove the value of your marketing efforts.

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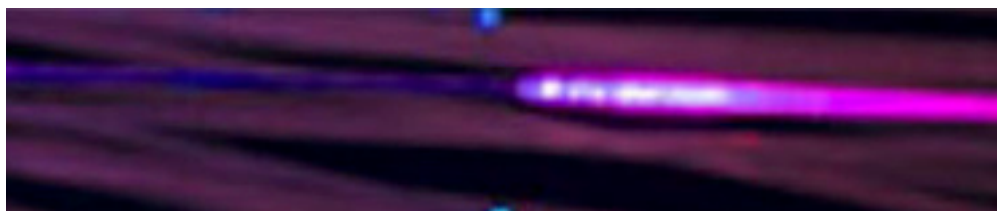
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YOUR NEXT STEPS





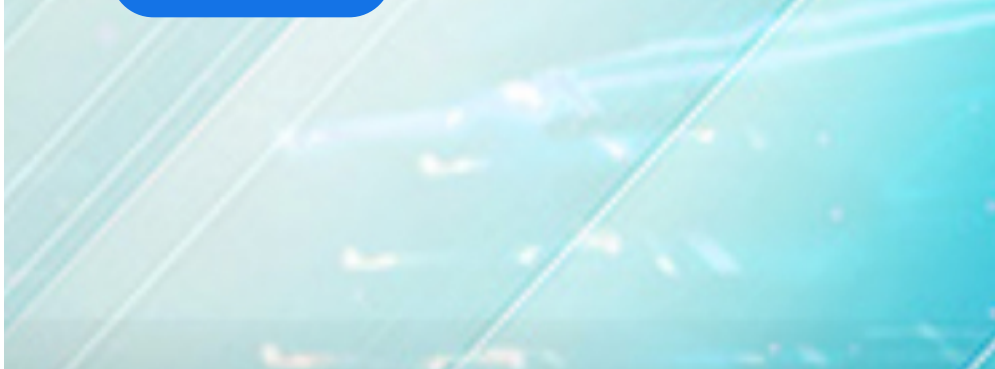
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