



The ABCs of ABM:

# How CMOs Approach Account-Based Marketing





## **Today's buyers have come to expect personalized marketing at every step of the buying process.**

They expect marketers and salespeople to know who they are and to speak directly to their goals and pains, and they reward businesses who do with their loyalty.

In response to this changing reality, many marketers have turned to account-based marketing (ABM) to meet potential customers where they are and tailor their solutions to them.

ABM goes by many names — ABMS (Account-Based Marketing and Sales), ABX (Account-Based everything), or as Alex Poulous, CMO at Crossbeam, calls it, Ecosystem-Led Marketing (more on that later) — but the goal is the same: generate more pipeline and close more business using a highly targeted marketing approach. When done right, ABM leads to high conversion rates, lower customer acquisition costs, improved customer experience, better cross-functional alignment, and a shorter, more streamlined sales cycle.

While ABM is a popular (and powerful) strategy, marketers still have a lot to learn about how to successfully operate and scale an ABM program — and who better to learn from than marketing leaders?

In this eBook, we share insights from CMOs who run small- and large-scale ABM programs at their respective companies about setting up, measuring, and executing ABM, as well as what tech can help you successfully implement an ABM strategy.

# Why Marketing Leaders Turn to ABM

In a noisy business landscape with more content and online resources than ever, ABM allows companies to cut through the noise by marketing to highly-targeted prospect pools with a personal touch. **Seventy-eight percent** of brands leverage account-based marketing as part of their marketing and demand generation strategies. Likewise, **61% of B2B marketers** report that ABM is essential to their overall marketing objectives.



For Charlotte Laing, CMO at Metrikus, after aligning on a set of target accounts where there would be better product-market fit, her team implemented ABM and built out their outbound motion to attract more deals and drive better alignment with sales.

According to Ellen Baluta, Senior Revenue Marketing Manager - Enterprise and ABM at Loopio, the impetus for ABM came from a mandate to sell larger deals. They identified ABM as the best strategy for this goal, as it fostered cross-departmental collaboration among sales, marketing, and CS.

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**Alex Poulous**

CMO at Crossbeam

Jason McClelland, CMO at Shutterstock, likewise implemented ABM to improve the alignment between sales and marketing and to enable upmarket selling as they sell bigger deals to bigger companies. His team at Shutterstock also leans on ABM for full pipeline coverage and to ensure more consistent (or predictable) conversion of pipeline to revenue.

All in all, CMOs highlight how ABM is more than just targeting a set of accounts with advertising; it empowers companies to align their revenue engine and streamline their go-to-market strategy.

# Types of ABM

Of course, there is no one-size-fits-all approach to account-based marketing. Many programs have three tiers — one to one, one to few and one to many — and **29% of marketers** target 101-500 accounts with an ABM strategy.



**One to one, also known as Strategic ABM**, is a highly customized program for specific accounts within your target market. This is often the smallest tier and includes the highest value accounts. Notably, while it's called "one to one ABM," it is rare for companies to literally assign an account manager for a single account. More frequently, they have two or more, depending on how many unique sales opportunities an account represents. Baluta's team, for example, has 19 banking accounts in the one to one tier, while Laing's team has 10 accounts, assigning only a few sales reps and one marketer to these accounts.



**One to few, also called ABM Lite**, has more accounts and less customization than one to one ABM. Accounts in this tier are often clustered by business needs, and are directed towards landing pages and content tailored to their needs. Baluta includes 75 cross-industry companies in this tier. For McClelland's team, one to few ABM also includes identifying specific stakeholders within target accounts, and reps often try to establish a relationship with them.



**One to many, sometimes referred to as Programmatic ABM**, is often the least customized tier, and creates campaigns for named accounts at scale. This tier is usually bigger than the first two, isn't bespoke, and tends to be segmented by function or vertical. Baluta's team, for instance, has 700 accounts in this tier, with little to no personalization beyond what the vertical requires. While Laing's team outsources many or most of the capabilities that are described in the "Key Capabilities and Tools" section below, it includes anyone who fits the target account profile.

At Crossbeam, Populous takes a different approach to ABM, leveraging data from partner ecosystems (Note: here, Crossbeam is referencing their own data product) to identify target segments, personalize outreach to each of them, and operationalize co-marketing with partners to strengthen engagement. He calls this ecosystem-led marketing. "Because most companies who want to do ABM have partners, leveraging partner data and joint partner campaigns are an awesome way to bring a fresh message to our target accounts that results in better engagement rates," says Poulous. "We also do ABM combined with product-led growth (PLG), which we feel is a great way to elevate PLG to higher-ACV deals."

ABM is a powerful strategy to help companies stand out from their competition and provide value to prospective customers through personalized marketing. A solid tech stack can help you to tier customers, score opportunities, and execute your ABM strategy effectively.

# Key Capabilities and Tools

ABM is most successful when sales and marketing teams use the right tools to support the key elements of their program and capture crucial account data. While some companies use home-grown systems for elements like opportunity scoring and customizing content, others use ABM-specific tech to achieve their desired outcomes. Here are some of the key elements of ABM — and the tech that makes it happen:



## 1. Account Identification

Account identification is choosing the right accounts to target and the right tier to slot them into.

In addition to 6Sense, CMOs use Crossbeam and other account-based marketing tools for accurate account identification.

## 2. Account-Based Advertising

This is the process of determining how to reach targeted accounts.

In addition to 6Sense, most CMOs use LinkedIn Ads for account-based advertising, as it allows them to customize their ads for specific audiences and increases their chances of reaching their ICP.

## 3. Opportunity Scoring

Opportunity scoring means understanding which opportunities to prioritize and their likelihood of closing based on internally-determined criteria.

As well as home-grown systems, CMOs also use HubSpot, Salesforce's Einstein Analytics, Clari, and people.ai for lead or opportunity scoring.

## 4. Customized Content

Creating customized content means tailoring landing pages, blogs, webinars, and events to named accounts and tiers.

Like with opportunity scoring, many companies use home-grown systems to manage site personalization and personalized content paths. Additionally, some CMOs lean on Responsys, Eloqua, Folloze, HubSpot, Pathfactory, Mutiny, and Seismic to deliver the right content to the right account at the right time.

## 5. Direct Mailing

Direct mailing is the practice of sending personalized gifts to woo potential customers and remain top of mind.

While most interviewed CMOs reported **using Sendoso** for their direct mailing needs, others named RechDesk, Alyce, and Kotis as suitable alternatives.

## 6. Email, Engagement, and Enablement

In addition to the above, email marketing, engagement, and enablement are essential parts of any marketing effort, particularly for ABM.

HubSpot is popular among CMOs for email marketing. Though planning to cut down to just two tools in the future, McClelland's team also uses Marketo, Eloqua, Braze, and Salesforce Marketing Cloud.

For BDR and sales engagement, some of the tech CMOs use include HubSpot, Outreach, Salesloft, Intercom, and Mode Analytics dashboards.

Finally, CMOs and their teams depend on Seismic, HubSpot, SFDC, and Salesloft for enablement, and use Gong and Chorus for conversation quality management.

### **Good tech is vital to effective ABM execution.**

Not only will it enable you to streamline the moving parts, but it will also help you to increase the ROI from your ABM program.



# Money In, Money Out: ABM Budget and Pipeline Generation

Investing in ABM means allocating funds to budget, technology, and people to execute the various programs.



Typically, companies allocate an average of **37% of their budget** to their ABM programs. A **Salesforce study** showed that high-performing B2B marketers dedicate more budget to ABM than underperformers do — 18% vs 14% respectively. Plus, a **6Sense study** found that organizations with an ABM/target account practice report 8% better financial performance than those without. Dedicating more resources to ABM makes sense from a GTM perspective, as **87% of marketers** said that the ROI of ABM outperforms other marketing investments.

When asked how ABM budget compares to spend on other demand gen efforts, CMOs' responses ranged from 10% to 60%. McClelland's team spends about 10% of their demand gen spend on ABM, but they plan to increase it to 20% in a year. Much of their spend right now is on search engine marketing (SEM), but they are also planning to shift that in the future.

While Baluta's team's spend is on par with industry average at 37%, Laing's team goes above the average, dedicating about 60% to ABM and using another 40% on higher-level brand and introductory content.

With high spend comes expectations of high ROI. Seventy-nine percent of marketers who have adopted and currently have ABM programs have successfully generated ROI from it. Baluta and Laing say that ABM is accountable for \$1.1M and \$10M in pipeline, respectively.

Meanwhile, Shutterstock's company goals are based on total addressable market (TAM) with marketing goals layered underneath. McClelland reports 10% coverage of that TAM, which will increase to 20% in the coming year. And since they are currently seeing ABM success, they plan to continue investing in the formula.

An ABM program isn't complete without factoring in how much it will cost to execute and how much return you will get on your investment. As far as demand generation programs go, ABM has one of the highest success rates and returns on investment.

# Getting the Most Out of ABM

While account-based marketing isn't new, most organizations are at least experimenting with an ABM program as an effective way to generate pipeline and revenue. Marketing leaders recognize it as a powerful way to sell upmarket, increase deal size, and improve alignment between sales and marketing.

The tiered system allows marketers to customize outreach and messaging based on the potential value of the account, offering greater personalization to high-value accounts.

The CMOs interviewed offered insights into what tools are most effective for executing their ABM programs. Good technology can be a sizable investment, so companies should do their due diligence to calculate not just their budget, but their ROI.

According to a **Total Economic Impact** study conducted by Forrester consulting, businesses using 6Sense can achieve an ROI of 454% over three years, recovering their initial investment within six months.

See how 6Sense can help you jumpstart your ABM program. Request a demo today.

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