STATE OF ACCOUNT-BASED MARKETING
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Introduction

Account-based marketing has been spoken to, talked about, and presented on time and time again, and as B2B professionals see just how beneficial an account-based approach can be in other organizations, more are beginning the journey to adopt ABM into their own.

As blog posts, videos, webinars, and the like continue to highlight ABM’s capabilities, the number of organizations beginning to implement this kind of approach increases as well.

2019 is the first year that a significant percentage of companies surveyed — 14.7% — reported running ABM programs at their current companies for more than three years.

This signals that the market has matured, and for the first time a majority of B2B companies are either experimenting with ABM, or ready to scale their ABM strategy as a major part of their overall demand generation approach. What are the implications of increased ABM maturity on the challenges marketers can expect to encounter when just getting started and as they begin to scale? How are marketers overcoming specific challenges associated with converting their inbound/outbound programs to ABM? And - importantly - where do ABM practitioners find the most success, and what steps are they taking to get there?

These are the questions we wanted to answer.
1 METHODOLOGY
Methodology

To better understand the 2018 state of account-based marketing, as well as how successful B2B practitioners use ABM to generate more qualified demand and drive more reliable revenue for their business, #FlipMyFunnel in collaboration with Heinz Marketing conducted a survey over two weeks in November – December 2018.

The following responses came from 211 sales and marketing professionals from organizations that range from SMB to large enterprise, across a range of industries.

Respondents were pre-qualified for this survey using the following criteria:
- A respondent’s role must be associated with either “Sales” or “Marketing”.
- A respondent’s organization must currently have an account-based marketing program in place.
- A respondent is primarily focused in B2B.

Respondents who did not meet all of the above criteria were excluded from the survey.
Do you currently have an account-based marketing program in place?

- Yes: 61%
- No plans to implement ABM (eliminated): 7%
- Not yet, but we plan to implement ABM in the next year (eliminated): 13%
- Not yet, but we know we need to: 19%

Are you currently practicing ABM?

- Yes: 61% in 2018, 81% in 2017, 49% in 2016
- No: 39% in 2018, 19% in 2017, 51% in 2016
How many employees does your company have?

What industry do you operate in?

- Technology / Software: 62.6%
- Business Services / Consulting: 15.2%
- Manufacturing / Construction: 5.7%
- Healthcare: 5.7%
- Financial Services: 4.7%
- Telecommunications - 0.9%
- Media: 0.9%
- Other: 4.3%
2 KEY FINDINGS
Key Findings

Revenue generation is still the top priority of ABM practitioners, followed by pipeline acceleration and lead generation.

Measuring and reporting the performance of their ABM program is the biggest challenge standing in the way of success. One year ago, in 2017, organizations were most concerned with the length of time it took to see their results and how to get started with ABM in the first place.

No matter how advanced your ABM program is in its implementation, respondents continue to utilize industry/verticals or annual revenue the most in building their target account lists. There is an opportunity for companies to utilize more advanced techniques moving forward, like predictive and intent signals and engagement data.

It seems there is a shift happening in how organizations are investing in account-based marketing. In previous years’ reports, a large percentage of respondents indicated their ABM budgets were increasing year over year. In 2018, however, that number dipped from 82% to 60%. Companies are still increasing their investment in ABM, but the numbers indicate many may be past the initial investment phase and focusing instead on maturing and optimizing their programs.
Growing Adoption

Over 45% of sales and marketing professionals who indicated they currently have an account-based marketing program in place report they’ve practiced ABM for less than one year. And nearly 2 in 5 respondents classify their organization’s ABM program as still being in its early stages — just beginning to implement tools or processes to support the larger program.

How long has your organization been practicing ABM?

- 45.5% < 1 year
- 39.8% 1-2 years
- 14.7% 3+ years

How would you classify your organization’s stage of ABM implementation?

- 39.8% Early-stage, just implementing tools or processes
- 30.3% Broadly implemented, focused on optimization and iteration
- 20.9% Pilot complete
- 9.0% Advanced, full marketing and sales alignment has been achieved and we are able to measure our ABM results

Only 9% of respondents classify their ABM program as advanced — meaning that sales and marketing functions are aligned and they are able to measure results to gain a clear understanding of the impact ABM has in the greater organization.
Program Goals

Even though new ABM programs are lifting off, the goals remain the same year after year.

In 2018, the top three goals for ABM practitioners were:

- New business acquisition (73.5%)
- Pipeline acceleration (62.1%)
- Lead generation (52.1%)

Other goals of ABM practitioners include the ability to upsell or cross-sell to existing customers, marketing and sales alignment, and brand awareness.

What is your main goal for account-based marketing (ABM)?

Stage of ABM Implementation

- Total (Combined)
- Early Stage
- Pilot Complete
- Broadly Implemented
- Advanced
Goals for Advanced ABM Programs — 2017 vs. 2018

While 38% of organizations with early-stage ABM programs identified sales and marketing alignment as a top goal, just 15.8% of organizations with advanced ABM programs chose this response. It’s likely that at this stage, sales and marketing may already be tightly aligned — in 2017, 57% of respondents reported this alignment, causing more advanced practitioners to focus on other top goals such as pipeline acceleration (73.7%).

What is your main goal with ABM?
New Challenges

What challenges are ABM practitioners most concerned with this year? In the past, the challenges facing ABM practitioners were largely organizational. How do I get sales and marketing aligned? How do I get my leadership team bought in on ABM and focused on the right KPIs? Do I have the right content to support an ABM program? How do I even get started?

What we’re seeing now is that organizations are bought in on ABM and marketers are rolling up their sleeves and facing more operational challenges—starting with how to accurately measure and report on their ABM program success.

Over 41% of total respondents report that their biggest challenge is the difficulty in measuring and reporting on account-level results, indicating the market is maturing away from why ABM should be done in the first place to how to scale and optimize these programs effectively moving forward.
What are the biggest challenges you’ve faced when implementing ABM?

- Difficulty measuring and reporting on account-level results
- Ensuring you have the right content for an account-based approach
- Building out account and contact data
- Using consistent data across systems
- Moving away from lead-based volume metrics
- Aligning sales and marketing on key accounts
- Determining the target account list
- Time to results is too long
- Implementing the right technology
- Getting internal buy-in from key stakeholders
- Allocating budget to account-based initiatives

Key Findings:

- Total (Combined)
- Early Stage
- Pilot Complete
- Broadly Implemented
- Advanced
Last Year’s Challenges

In the 2017 report, “Length of time for results” was the highest-rated challenge when implementing ABM at 17%.

- “How to start” followed with 12% of responses
- “Content” was third, with 11% of responses
- Showing results (8%) and understanding the account insights (5%) were much lower on the rank of challenges, indicating an advancement in the concerns of today’s ABM programs.

Once programs mature and begin to generate results, ABM practitioners move to solve the next challenge — always moving their programs ahead.

What is your greatest challenge with implementing ABM?*

*Data from the #FlipMyFunnel 2017 State of ABM report
Budget

To combat new challenges and take advantage of smarter tools, nearly 60% of respondents reported that their ABM budget will increase in the next year.

In the 2017 report, 82% of respondents planned to increase their ABM budget in the next year, so while ABM budgets continue to increase, they are doing so at a slower pace. These numbers may indicate that many may be past the initial investment phase and focusing instead on maturing and optimizing their programs.

How do you think your ABM budget will change in the next year?

- Increase 59.2%
- Stay the same 37.9%
- Decrease - 2.8%
Improvement Over Time

What’s driving the success of ABM programs? Is it budgetary? A tactic or strategy? A specialized tool? While all important, the most consistent factor in ABM success is related to time.

While less than 25% of total respondents are confident that their ABM programs are effective, over half of the most advanced ABM programs have found their footing to confidently generate results. The more advanced a program is, the more confident ABM practitioners are that what they’re doing is working—makes sense, right?

But it points to another important trend—ABM takes time to get right, whether it’s because of organizational change, implementing the right technology stack to scale, or just figuring out how to run a pilot and how to iterate on the program. Businesses have to be willing to test and revise their ABM program over the length of a few sales cycles to get good data.

But what the trends indicate is that if you stick with it, ABM is likely to become a key component of your overall marketing strategy, spanning acquisition and customer marketing, and multiple channels and tactics.
How would you describe your level of confidence that your account-based marketing programs are effective, on a scale of 1-7, where 7 means very confident and 1 means not confident at all?

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“We’re seeing engagement on our targeted accounts. We have a solid account list and we still have room to mature in our integrated campaigns. We’re also implementing additional technology and process to close the gaps.”

“We can always do better but this is a much better approach than just traditional inbound funnel optimization, especially as we move further upmarket.”

“We have surveyed our sales team and compared their confidence in our ABM program to our overall performance, which is netting 96% close rates for firms in our ABM program.”
DIVING INTO THE DETAILS
Diving into the Details

Now that we’ve seen the key trends in the state of account-based marketing, it’s important to go a level deeper and understand what’s causing them.

How are today’s ABM practitioners targeting their accounts? What technologies do they utilize? How do they measure performance of their program?

The Growing Importance of ABM

While nearly 40% of all respondents dedicate between 25-50% of their total marketing efforts to ABM, 47% of those with advanced ABM programs dedicate between 51-75% to their account-based initiatives.

What percentage of your marketing efforts are directed toward target accounts versus general outbound efforts?

Once companies have seen the rewards of a mature, tightly aligned ABM program, it’s an approach that becomes as important as, if not more important than, any other marketing program in their repertoire.
Target Account Selection

Over 84% of respondents with an advanced ABM program report that target account selection is a joint effort conducted by both sales and marketing.

And this is true for ABM programs of all ages — no matter how long a program has been running, though marketing and sales are always collaborating, marketing tends to lead the charge in identifying target accounts.
List Building

With the collaboration of sales and marketing in the selection of target accounts, how and when do today’s ABM practitioners continue to expand their target account lists beyond their own database?

Frequency

While 39.3% of organizations update and add-to their target account lists quarterly, 22.3% of organizations lack a systematic approach, iterating more on an ad-hoc basis.

Criteria

When the time does come to find more accounts to target, what criteria do ABM practitioners utilize?

Nearly 75% of respondents build their target account lists with traditional marketing segmentations based on firmographics like geography, industry verticals, annual revenue, and number of employees.

In contrast, many ABM technologies entering the market are focused on artificial and predictive intelligence, and delivering dynamic behavioral data to aid account targeting.

Marketers are defaulting to the firmographics that they know and love first, perhaps indicating adoption difficulties in behavioral or AI-driven data. Maybe they have found it’s difficult to integrate the data into their existing CRM or marketing automation systems. Maybe it’s difficult to manage audiences dynamically based on that data, or it’s more difficult to keep sales and marketing aligned on behavioral data - which changes.

Even those with advanced ABM programs build their account lists with this foundational data, though of all the groups represented, those more mature ABM programs are embracing the more advanced techniques like predictive and intent signals and engagement data.
Which factors are you using to build your target account lists?
Technology

Marketing technology provides the core infrastructure for a successful ABM program, and organizations utilize a mix of tools to support their efforts.

No matter how advanced an organization’s ABM program is, there’s a strong reliance on one’s core CRM system and marketing automation platform over more advanced account-based marketing technologies and website visitor intelligence platforms.

What categories of martech tools do you utilize in your organization? Select all that apply:
Building an ABM Tech Stack
The following are the tools most commonly used in an ABM practitioner’s tech stack.

If you are using account-based marketing solutions, which of the following solutions are part of your tech stack? Select all that apply:

![Bar Chart]

Adding and Consolidating Technology
As new technology emerges and the ABM technology landscape continues to mature, ABM practitioners are keen to try new solutions to improve their ABM programs.

When marketers were just trying out ABM, they were hacking together many different point solutions. Now that their programs are running, they’re looking for an opportunity to consolidate and optimize their toolset, and looking for vendors that can cover more of their program needs with a single product.

Over 50% of respondents intend to add additional technology in 2019. This number has decreased dramatically since 2017, where 83% of respondents planned to add new technology. Again, these numbers may indicate that many may be past the initial investment phase and focusing instead on utilizing and optimizing the technology they already have.
But that still leaves 47.8% of respondents who don’t plan to add any additional tech. When asked more specifically about their approach to technology within their ABM program, 34.1% of respondents would add technology to fill their current gaps.

A significant 52.6% of advanced program practitioners responded they intend to consolidate their stacks into fewer, more robust solutions. This is likely caused by being around enough time to understand what they need, where they need it, and why they need it in order to continue driving success.

As you plan for 2019, which of the following best describes your approach to technology you plan to use for account-based marketing?

Improving Reporting and Measurement

Among the new technologies ABM practitioners hope to purchase, 44% of respondents plan to implement an account-based analytics or measurement tool in the next year.
Which of the following capabilities do you plan to add to your technology stack this year? (Select all that apply)
5 MEASURING RESULTS
Measuring Results

The ability to measure and report on results allows successful ABM practitioners to make data-driven decisions to improve their program. Understanding how campaigns are performing, what content leads are engaging with, and the qualification of those leads as they move from marketing to sales are just a few of the many aspects to driving success.

Reporting Performance

It’s clear that no matter where you are in your ABM efforts, there is still a reliance on CRM systems for reporting on the success of ABM efforts. However, over half of respondents continue to do some reporting manually.

What tools do you currently use to report on the success of your ABM efforts?

But what do ABM practitioners find valuable to measure? What goals are they working towards on their journey to account-based success?
Key Performance Indicators

The most important KPIs tracked specifically for ABM programs when looking at combined choices are revenue generated (53.6%) and pipeline generated (46%).

What are the most important key performance indicators (KPIs) you track specifically for your account-based programs?

In the early stages of ABM implementation, account engagement rate, sales demos and calls, lead generation and account penetration are more highly valued KPIs. However, as programs grow more advanced, the KPIs they care about become based more on the results being generated rather than the inputs that lead to those results.

But unfortunately, not everything can be measured, and there are still some KPIs that even the most advanced ABM programs wish they could track.
Ideal KPIs

Nearly 38% of respondents indicated that sales cycle length and deal velocity is a KPI that they would like to report on specifically but are currently unable to, and this is true no matter how mature an ABM program is.

Among this, other ideal KPIs include:

- Account engagement rate (% of target accounts engaged online or offline) - 34.6%
- Account penetration (number of people engaged within an account) - 33.6%
- Lead-to-opportunity conversion rate - 26.1%

However, 26.3% of those with an advanced ABM program report that they’re able to report on all KPIs they want to report on.

Which key performance indicators (KPIs) would you like to report on specifically for your account-based programs but are currently unable to?

Yet even without a perfect set of KPIs, by clearly defining the goals of an ABM program, ABM practitioners can work to ensure that everyone involved has the same objectives in mind.
Moving Towards Success

How long does it take to get there? Most organizations have seen progress toward their most important KPI within 4-6 months after implementation.

From first implementation of account-based marketing, how long did it take your organization to see progress toward your most important KPI?

What does this tell us? It reiterates that account-based marketing takes time. It’s not an initiative that one will see instant results from, but with the right patience and willingness to iterate and improve, the results generated by an ABM program can be invaluable to an organization.
Conclusion

If there’s one takeaway from this report, it’s that account-based marketing isn’t a magic bullet for everything facing marketing and sales teams. But it is an approach that, when implemented thoughtfully and with commitment, can become a company’s core growth strategy and drive significant results.

What separates successful ABM programs from the rest? Dedication, patience, and time. While the strategy and tactics one implements will, of course, heavily dictate the outcomes of an account-based approach, one’s capacity to thoughtfully measure and analyze the outputs while simultaneously iterating the inputs gives a big advantage over those who expect to see results in 30, 60, even 90 days.

Account-based marketing success comes with time. As does the ability to see the gaps in your program, the willingness to make adjustments as needed, and the strategic lens to tie it all together.

Account-based marketing is not a passing fad. In fact, quite the opposite. Because as organizations, leaders, and practitioners continue to grow their ABM programs, new solutions arise to meet new challenges. New voices rise to the surface. New technology emerges to facilitate and measure success.

Where does your organization stand on the account-based marketing scale?
About Our Contributors

#FlipMyFunnel

Founded in 2014, #FlipMyFunnel is a community of brave B2B professionals who challenge the status quo in their organizations to drive better business results. Our annual event, engagement platforms, and tactical content serve to empower you to do this in the best way possible.

We believe the best definition of a thriving community is one where you, the practitioner, are in the driver’s seat. Your pain points are our pain points, and we are here to help you become a hero in your organization.

Terminus passionately hosts the #FlipMyFunnel community. We’re honored to provide a platform where you master your craft and make lasting connections with your peers.

Please join the #FlipMyFunnel community: subscribe to the #FlipMyFunnel podcast, LinkedIn, Twitter, Youtube and join us at a Meetup near you.

Heinz Marketing is a B2B marketing and sales acceleration firm that delivers measurable revenue results. At Heinz Marketing, we believe every strategy, tactic and action has a specific, measured purpose. Instead of focusing on the activities, we focus on the outcomes. What really matters is sales pipeline, closing business, and accelerating revenue.

Visit Heinz Marketing on the web at heinzmarketing.com and follow us on Twitter @HeinzMarketing.
About Our Partners

Founded in 2014, Terminus is the leader of the account-based movement. We help our customers transform B2B marketing by focusing sales and marketing resources on the best-fit, most likely to buy segments of their addressable market. Our platform empowers marketing teams to easily build, operate, and measure scalable account-based initiatives that drive quality growth.

Founded in 1996, PFL, a marketing technology company, provides sales enablement and marketing automation solutions, as well as printing, mailing, and fulfillment services. We directly connect B2B and B2C organizations to cutting edge solutions that accelerate productivity and drives the business forward.

Founded in 2006, Marketo, an Adobe company, offers the leading Engagement Platform that empowers marketers to build brand value, grow revenue, and prove impact. Consistently recognized as the industry’s innovation pioneer, Marketo is the trusted platform for thousands of CMOs thanks to its scalability, reliability, and openness.

Founded in 2003, LinkedIn connects the world’s professionals to make them more productive and successful. Whatever motivates and inspires you, we’re a community that can help you realize your definition of success. #InItTogether
#FlipMyFunnel