



# Battle of the Sales Strategies



# Account Based Marketing (ABM) has revolutionized B2B sales and marketing.

Thanks to ABM, content is more personalized and sales strategies are not just more personal, they are more strategic. ABM has been touted by Forbes as a “need to know” tactic for B2B CMOs. Surprisingly, far too many companies still have either failed to jump on the bandwagon or fallen short in reaping the full benefits of ABM. It’s estimated that ABM professionals are currently penetrating a mere 15-20% of target accounts. A "battle" between traditional sales and ABM still exists. Understanding the following 5 core differences between traditional sales and ABM goes a long way in motivating, inspiring, and informing the often necessary shift to ABM.



1

# Objective: Lead Quantity vs. Lead Quality

Traditional B2B sales strategies emphasize lead quantity. The objective is to cast far-reaching nets and capture as many leads as possible. This approach, commonly termed “spray and pray” relies on tactics such as direct marketing and one-size-fits-all email blasts. "Vanity" metrics (such as click-through rates, email-open rates, number of page views, and conversion rates) are often misinterpreted as success metrics. While these metrics may look good on paper, they fail to offer sufficient insight into the true value of a prospect. Regrettably, 66% of marketers don't know what a customer is worth – or not worth - and are losing out on potential sales as a result.

In contrast, ABM focuses on lead quality. A 2015 study conducted by Ascend2 found that 70% of B2B marketers cited improving lead quality as the most important lead generation objective. More specifically, according to a 2015 lead generation report conducted by BrightTALK, B2B marketers prefer generating high-quality leads over generating a high volume of leads (68% vs. 55%, respectively).

It's estimated that 57% of buyers make buying decisions before engaging with a rep. An informed ABM approach recognizes the need to leverage machine learning tools to monitor signals that indicate high buying propensities and to uncover high value prospects even before they are ready to engage. These tools enable sellers and marketers alike to take the guesswork out of prospecting and to identify prospects that are most likely to convert. Thanks to a slew of new business intelligence tools, sellers and marketers are better equipped than ever before to generate content that is personalized and targeted. Creating hyper-targeted messaging, developing personalized offers, and building micro-sites tailored to each prospect and customer are highly leveraged strategies employed by successful ABM practitioners.



2

## Approach: Persona-Centric vs. Customer Centric

Traditional sales strategies tend to reflect a persona-centric bend. The "target" is defined in the context of a rather generic persona, as opposed to a specific unique entity. The objective is to generate messaging that appeals to a broad set of customers. Personas are, at best, informed by only a few rudimentary variables such as company size, industry, and budget.

It's not surprising that we've seen a shift towards ABM. Personas, by definition, are fabricated characters. ABM, unlike traditional sales strategies, recognizes that each prospect and customer exhibits a specific DNA. ABM strategies reflect a customer-centric bend. Each customer is considered a standalone entity with unique interests, opinions, values, risk aversions, etc. No two customers are exactly the same. Recognizing this, ABM draws upon multiple data sources, such as firmographic and demographic data, social network activities, and behavioral data to craft messages that better resonate with audiences and ensure that communications are deeply personal. When messages aren't personalized, customers don't feel valued, nor do they feel a strong connection to a brand. In order to develop a customer-centric view, consider the following often-overlooked variables:



2

## Approach: Persona-Centric vs. Customer Centric

### **A | Tone, verbal cues, and body language**

When trying to identify buying signals, listen to how decision makers speak. This can be more important than listening to what they actual say. Dr. Albert Mehrabian, Professor at UCLA, found that feelings and attitudes are communicated 38% by tone of voice and only 7% by words. A prospect flaunting an agreeable, cheerful, animated, and/or engrossed tone is often more promising than a prospect sporting a quizzical, resentful, or annoyed tone. As well, certain words have more positive connotations and are more indicative of deal closure. For example, the word “agreement” is more promising than “contract”, “investment” more promising than “cost”, “contact” more promising than “sales rep”, etc. As well, our faces reveal hidden sentiments called micro expressions that are intentionally concealed. Smiling eyes, relaxed brows, and upward turns in the corner of the mouth can signal comfort, low levels of anxiety, and indicate a prospect is closer to conversion. Body position is also telling. If a prospect displays a rigid body posture with hunched shoulders, this tends to indicate closed off behavior and may also indicate a closed off attitude towards your offering. On the other hand, leaning forward is a positive sign of attraction and can indicate a prospect’s openness to an offering and receptiveness to further evaluation.



2

# Approach: Persona-Centric vs. Customer Centric

## **B | Offline & Online Actions**

Sales reps should consider which of a prospect's online actions may be harbingers of deal finality. If a prospect visits a website more frequently, endures for longer visits, downloads more webinars, reads white-papers, it signals greater interest in an offering. If a prospect reads testimonials and customer case studies, this better signals deal closure as compared to reading through the "About us" or "What do we do" pages. In addition to online buying actions, also gain insight into offline actions. Length of conversation can be a powerful indicator. If a customer slowly progresses to engaging in lengthier conversations, this implies a willingness to invest more time in evaluating your solution and a sign that deal closure may be imminent.



2

## Approach: Persona-Centric vs. Customer Centric

### C | Prospect questions

A third powerful buying signal category that often gets overlooked is the nature of questions asked by prospects. Oftentimes, these questions are more telling than their answers to your own questions. First, consider the level of specificity. If questions are becoming more specific (for example, if the prospect is wanting to know the nitty-gritty of contract terms, product specs, etc.), prospects are likely closer to deal closure. As well, if a prospect poses questions as though they've already purchased an offering, this can be indicative of the end of a decision cycle. Questions that fall into this category include "How will product x integrate with my current software?" or "How often do I get notifications?"

An ABM approach goes beyond mere firmographic and demographic variables and leverages buying signals to most effectively tailor content and inform the next best strategies.



3

## Target: Individual Decision Maker vs. Multiple Decision Makers

Traditional sales approaches tend to target a single decision maker. The hope is that this decision maker can and will act as an internal champion for an offering and, in turn, garner support from others within the organization who can influence the decision making process. Unfortunately, in today's B2B world, rarely can one decision maker single-handedly herald a deal to the finish line.

Sales and marketers are recognizing the importance of targeting multiple decision makers within an organization. A study by CEB found that, on average, 5.4 individuals formally sign off on B2B buying decisions today. A successful ABM approach involves assembling a team of evangelists within an organization. Admittedly, this is easier said than done. Nearly 2/3 of B2B marketers report that engaging key decision makers is their most difficult challenge. In order to assess how best to attract and engage decision makers, ask yourself 4 key questions:



3

# Target: Individual Decision Maker vs. Multiple Decision Makers

## 1 | What is the decision making structure?

Decision makers are far more numerous than they've ever been. They're also more diverse (and include, for example, the CEO, CMO, CFO, CIO, and VP of sales). Typically, larger organizations have more complex decision making processes and chances are decisions will span longer durations. As you interact with prospects, make concerted efforts to understand the decision-making process. Is the process collaborative or command-oriented? In the case of the former, you'll likely need to gain support of a larger cohort of champions. Don't lose sight of the fact that business is now a global affair. Will your solution be deployed across multiple geographies? If so, you should seek to target one or more decision makers situated overseas.



3

# Target: Individual Decision Maker vs. Multiple Decision Makers

## 2 | How many different divisions and department will my solution touch?

In order to understand which and how many decision makers to engage and to what degrees, consider who will ultimately interact with your offering. Does your solution exclusively apply to the customer's outbound sales division? If so, focus on gaining the support of multiple advocates within the outbound sales organization division. If your offering applies to more than one division or department, you'll need to engage a more diverse group and will need to customize content accordingly.



3

# Target: Individual Decision Maker vs. Multiple Decision Makers

## 3 | Who are the mobilizers?

Not all decision makers will be equally adept at influencing others. Some decision makers will be more persuasive and/or reputable and thus better able to gain the support of their colleagues. Official titles can be misleading. If you're able to identify particularly influential decision makers, you'll be better able to focus on key mobilizers. In turn, you'll be better able to garner the necessary internal support for your solution.

Once you've decided on a proper engagement strategy, your job isn't finished. You must arm the customer to teach others. Provide them with content they can pass on to other stakeholders that demonstrates the value of your solution. Communicate your value propositions clearly so advocates are best equipped to build consensus within their organization.



4

# Outlook: Short Term vs. Long Term

Traditional sales approaches are typically grounded in the short term. Sales and marketers tend to adopt a “tunnel vision” mentality and focus on generating as much net new business as possible. The “always be closing” mentality looms large. According to a 2015 BrightTALK survey, 53% of marketers dedicate at least half of their budget to lead generation. The stringent focus on attaining new business often causes sales and marketers to undervalue the importance of maximizing engagement within existing accounts. They often fail to fully exploit potential opportunities for up-selling and cross-selling. A 2015 Gartner survey found that 44% of technology buyers feel that less than 25% of their providers consistently work with them to maximize value.

ABM involves a fundamental shift in perspective. The inherent beauty of ABM lies in its ability to help sales and marketers focus almost exclusively on the accounts that are most likely to drive significant revenue. According to a recent study by Alterra Group, 84% of respondents alleged that ABM provides significant advantages in terms of customer retention and expansion of existing client relationships.

ABM practitioners appreciate that a customer relationship shouldn't end or wane after an initial deal closure. They recognize the importance of a land-and-expand strategy. They take time to invest in the success of existing customers by develop content to address every stage of the customer lifecycle and by engaging often. They rigorously track revenue retention rates. In particular, they tend to keep close watch on what's been termed the “Customer Success Magic Number”. It is computed as  $[\text{ARR/MRR of customers renewed in period} + \text{ARR/MRR of up-sells in period}] / [\text{Total cost of Customer Success team} + \text{Customer Support team}]$ . It is recommended that this number remains above 5.0. The land-and-expand model places strong emphasis on up-selling and cross-selling to existing accounts. Thanks to a more holistic customer view, ABM-targeted accounts typically garner a 40% and 35% ACV increase for mid-market and enterprise accounts, respectively.

How can you prime yourself for a successful land-and-expand strategy?



4

# Outlook: Short Term vs. Long Term

## **A** | Nurture existing customers

Develop a holistic view of the customer lifecycle. Marketers, for example, must devote as much (if not more) time and resources to developing collateral that addresses product adoption, up-selling, cross-selling, and landing-and-expanding as they do to developing content that focuses on pipeline velocity. Marketers should ensure that at least 50% of the content they generate addresses the later stages of the customer journey. It takes continued nurturing to turn a customer into a brand advocate.



4

## Outlook: Short Term vs. Long Term

### **B | Be on the lookout for opportunities to up-sell and cross-sell**

Develop a thorough understanding of how your customers are using your product. Understand current use cases and how they might be relevant to other divisions and departments. Actively search for pockets of excellence –particular individuals or groups of individuals who've been highly successful at adopting your offering. Doing so will prime you to more effectively predict which other groups within the organization may exhibit similar use cases (and, thus, will be more apt to adopt the offering successfully).



4

# Outlook: Short Term vs. Long Term

## C | Ask for referrals

According to [Harvard Business Review \(HBR\)](#), customers obtained through referrals tend to be the most loyal and valuable. Leverage existing champions within your organizations. They are the most effective conduits to new departments, divisions, and/or geographic regions. Optimize for high organizational penetration. All of a sudden, up-sell and renewal proposals become more potent.



5

# Integration: Loose Alignment vs. Tight Alignment

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# Integration: Loose Alignment vs. Tight Alignment

## **A | Is there consensus in terms of what constitutes a MQL?**

To exploit the full potential of ABM, sales and marketing must work from the same playbook. Specifically, they must agree upon the interactions that must be demonstrated by prospects. The two teams must work together to determine the underlying MQL metrics (for example, how much weight should be assigned to firmographic and demographic attributes, behavioral attributes, etc.). Ideally, the MQL:SQL conversion ratio should be in the order of 4:1.



5

# Integration: Loose Alignment vs. Tight Alignment

## **B | How much time does sales and marketing spend together?**

A successful ABM strategy is predicated on robust relationships between sales and marketing. Ideally, ABM practitioners ensure that at least 20% of marketing's time is allotted to spending time with sales. Your marketing team needs to be included in sales kickoffs, sales calls, and quarterly business reviews. HBR recommends that the two teams partake in joint strategy sessions: "Jointly, marketers and salespeople should generate a playbook for expanding business with the top ten accounts in each market segment." These and other related efforts can move water in terms of helping marketing gain a meaningful perspective on sales pipelines and the importance of generating high-quality leads.



5

## Integration: Loose Alignment vs. Tight Alignment

### **C | Has a dedicated task force been assembled to assist with ensuring alignment between sales and marketing?**

Even when processes and protocols are in place, it's too idealistic to hope or suppose that the two entities will naturally remain tightly integrated. In an effort to fully optimize sales and marketing alignment, you need to establish specific roles that serve as de facto bridges between the two teams, ensuring processes are maintained and communication is constant and without restraint. An increasingly common role is that of the Chief Revenue Officer (CRO). According to Fast Company, “the best CROs understand and embrace the differences between sales and marketing, while at the same time establish processes to ensure their coordination across the full revenue cycle.” An established bridge should be considered a prerequisite to ensuring tight integration.

# Traditional Sales

vs

# Account-Based Marketing

## OBJECTIVE

**Lead Quality**  
Emphasizes attracting as many leads as possible by casting far-reaching nets, hoping that some leads will “stick.” Direct marketing and email blasts are highly leveraged tactics. It’s a numbers game.

**Lead Quality**  
Emphasizes targeting the right leads by using predictive buying signals to identify leads with high buying propensities. 67% of B2B companies find more qualified leads using ABM vs. traditional sales (Demand Metric, 2015).

## APPROACH

**Persona-Centric**  
Aims to generate all-encompassing content focused on a specific market or industry. Loosely targeted messaging is pushed to these broadly-defined groups.

**Customer-Centric**  
Aims to generate customer-specific content. Millennials are 44% more likely to permanently disengage with brands if they receive high volumes of generic marketing content (Aimia, 2015). Buyers expect a personalized experience.

## TARGET

**Individual Decision Makers**  
Focuses on an individual decision maker who has demonstrated interest in a brand. The intent is to leverage a specific individual who can act as an internal champion and garner support of additional decision makers.

**Multiple Decision Makers**  
Leaving nothing to chance, ABM focuses on multiple decision makers. Enterprise B2B purchases involve 17 individuals (IDG, 2014). Recognizing that one individual is unlikely to motivate a purchase alone, ABM targets multiple stakeholders spanning various functional roles.

## OUTLOOK

**Short-Term**  
Relies on a short-term time horizon. The focus is to generate net new business rather than to retain existing customers. The “always be closing” mentality looms large.

**Long-Term**  
Relies a long-term perspective. The focus is on cross-sell and up-sell as part of a land and expand strategy. Thanks to a more holistic view, ABM-targeted accounts garner a 35% and 40% ACV increase for mid-market and enterprise accounts, resp. (Demandbase, 2015).

## INTEGRATION

**Loose Alignment**  
Involves a hand off, whereby leads are passed from marketing to sales. Marketing scores leads and passes qualified ones (MQLs) to sales. Sales is then largely responsible for pushing MQLs through the rest of the funnel.

**Tight Alignment**  
Involves close collaboration between marketing and sales from the get-go. 70% of ABM users report that sales and marketing are mostly or completely aligned compared to 51% of non-ABM users (Demandbase, 2015).