

Why Account-Based Marketing Needs a Customer Data Platform

Published by:

Raab
associates inc

Sponsored by:

 **Lattice**

Introduction

Today's B2B buyers are more sophisticated than ever. They are self-directed, buy as a team, and tune out brands that aren't relevant nor providing insights to solve their problems right now.

In response, B2B marketers have worked to intercept purchasers in early stages of consideration and to create a consistent experience for the buyer. In the last couple of years, Account-Based Marketing has emerged as the most promising tactic for B2B marketing. [87% of companies say ABM delivers higher ROI than other types of Marketing \[ITSMA ABM Benchmarking Survey 2017\]](#). While the results have been promising – [69% companies report higher revenue per account with ABM \[ITSMA ABM Benchmarking Survey 2017\]](#), marketers have struggled to scale ABM.

This paper will outline the challenges marketers face in executing ABM and what prevents them from scaling ABM. Scale includes: expanding ABM programs from hundreds to thousands and even millions of accounts; extending ABM tactics beyond display ads and email to a truly omni-channel experience ending in a sales call; and, using interaction data across all touch-points to tailor the customer journey. We will look at how marketers are trying to solve the problem today and how a Customer Data Platform can help to remove all three scaling bottlenecks.

What is Account-Based Marketing?

In contrast to traditional lead generation, Account-Based Marketing starts with a focus on identifying those accounts you want to convert. Everything flows from this list of target accounts. All contacts from an account are aggregated into buying groups which are delivered consistent messages and offers tailored to that account or segment of accounts. Under ABM, marketing and sales execute tactics

Obstacles

ABM is part of a larger trend towards personalized marketing: that is, giving buyers the messages they want, when and where they want them. This requires marketers to have the following:

- Data and insights about their target market – the accounts, buying centers, and contacts that will be making the purchase decision.
- Messaging and offers tailored to specific accounts and personas.
- Ability to engage these target accounts via multiple channels in such a way that sequence and timing is properly coordinated.
- Ability to evaluate and measure performance in a meaningful way that you can actually tie your tactics to pipeline and revenue.

Marketers must overcome many obstacles before these requirements are met:

- **Building a complete customer view.** Businesses are capturing more data than ever about their prospects and customers. Unfortunately, most of it is locked away in silos – CRM, marketing automation, Google Analytics, Data Management Platforms, Enterprise Resource Planning, customer support systems, external vendors, product usage systems, and others. Collecting, cleaning, unifying, and exposing this data to marketing can require weeks of work by IT and marketing operations staff. This makes it impossible for marketers to react quickly as opportunities appear.

- **Defining the target market and accounts.** Product marketing and business analysis teams create broad market definitions. Marketing operations and sales operations teams convert those definitions into specific target lists – if the definitions are shared at all. Demand generation, lead qualification, and sales teams often have their own ideas of the best companies and personas. Few companies have the time or resources to forge a consensus across all those groups about the ideal targets. Many marketing teams don't even bother to try and just ask Sales for their ABM target account list instead.
- **Mapping account and contact hierarchies.** Good sales people find out who does what in each account and adjust their messages to each person. Marketing departments don't have the same direct contact with prospects and customers, making it hard for them to understand individual roles and corporate relationships. As a result, they're often at the mercy of information captured on response forms – which is often inconsistent, incorrect, or missing. This limits marketers' ability to tailor messages that meet specific buyer needs.
- **Tracking the buying committee.** B2B purchasing is a team sport. IDG found an average of 17 individuals involved in major tech purchases at enterprise companies¹. It's so important that Sirius Decisions has completely revamped their Waterfall around this concept. Yet most systems cannot identify members of a buying committee, let alone give a consolidated view of their activities. This means that significant events go unnoticed, such as simultaneous response to marketing campaigns by several committee members. In fact, marketing and sales often can't tell whether they've identified all members of the buying team or measure each member's engagement level.
- **Engaging anonymous prospects.** CEB/Gartner estimates that buyers are 57% of the way through their purchase process before they are ready to talk to a sales rep². Reaching them sooner is possible: "intent" vendors can associate content consumed on third party Web sites with target accounts and other systems can identify the company of anonymous visitors to your own Web site. Yet few marketing and sales systems can easily ingest this data and convert it into Account-Based Marketing programs such as Web site personalization, outbound phone calls, or retargeted display ads.
- **Personalizing based on business context.** The world is filled with information about your target accounts: Are they growing or shrinking? What's their competitive situation? Have they just launched a new product or hired new management? The answers let marketers deliver messages that are relevant and compelling. But few marketers can collect, analyze, expose and exploit this information without extensive manual research: an approach that simply doesn't scale to large numbers of target accounts.
- **Coordinating interactions across channels.** B2B buyers expect brands to engage them not only with relevant content, but in their preferred channels, times, and places. In fact, B2B customers use an average of six channels before they decide to make a purchase [add this as footnote] [McKinsey, <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/how-b2b-digital-leaders-drive-five-times-more-revenue-growth-than-their-peers>]. Most companies have systems to support each channel (email, social, sales, Web site, display, etc.) but each system typically operates as a silo. This means that targets, content, and messages all execute independently or must be coordinated through painstaking manual processes. Campaigns that truly integrate interactions across channels are still more challenging. Coordinating with external agencies adds yet another layer of complexity.

- **Measuring meaningful results.** Most marketing systems report on channel-specific results like impressions, opens, clicks, and form fills. At best, these measure activity but don't show the impact of marketing on what really matters: pipeline and revenue generation. ABM programs introduce additional measures related to relationships, coverage, and engagement. Siloed systems can't begin to address these requirements. content, but in their preferred channels, times, and places. In fact, B2B customers use an average of six channels before they decide to make a purchase [add this as footnote] [McKinsey, <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/how-b2b-digital-leaders-drive-five-times-more-revenue-growth-than-their-peers>]. Most companies have systems to support each channel (email, social, sales, Web site, display, etc.) but each system typically operates as a silo. This means that targets, content, and messages all execute independently or must be coordinated through painstaking manual processes.

How Customer Data Platforms Support ABM

The CDP Institute defines a Customer Data Platform as “a marketer-managed system that creates a persistent, unified customer database that is accessible to other systems”. Unlike systems built for other purposes, the CDP is designed from the start to assemble, store, and share complete data for each customer and prospects. Being “marketer-managed” means the CDP is controlled by business users, not an IT department. This is possible because CDPs are packaged software rather than custom-built systems created by corporate IT, consultants, or agencies. It's a critical difference that translates into faster deployment and richer functionality at lower cost. Visit www.cdpinstitute.org for more information about CDPs.



ABM and CDPs go together:

- CDPs are “**marketer-managed**” so they have direct access to all the data and insights about their customers and prospects.
- CDPs **ingest and unify data** about your target accounts and contacts from various sources – along with organizing that data by account, buying center and contact hierarchies.
- CDPs give marketers the ability to use all this data and insights as well as AI to **segment your target accounts** based on who will most likely buy from you, what they'll buy, and when.
- CDPs give marketers the ability to then **execute targeted campaigns** against these segments using all the “execution systems” they know and love – whether its marketing automation systems, CRM systems, ad platforms, and so on.
- CDPs are a natural place to “**close the loop**” on how campaigns perform – especially when it comes to revenue and pipeline attribution – because all the data about the customers and prospects is in one place.

It's clear that existing systems don't meet the needs of personalized B2B marketing in general and ABM in particular. A CDP fills critical gaps by gathering data from siloed sales, marketing, and operational systems, providing unified views at the individual and account levels, simplifying analytics, and supporting execution of coordinated marketing programs. But other systems make similar promises. Here are some key differences between CDPs and other options.

- **Data Lakes.** As the name suggests, a data lake is a pool where data is dumped in its original format. The main purpose is to save data scientists the labor of extracting data from source systems when they need it. That's helpful but few marketers have the skills to take data in its original format without help from IT or a data science team. This introduces dependencies and delays that make data lakes a barrier to marketing agility.

Like a data lake, a CDP also accepts feeds in the original format, reducing demands on source systems and their managers. In fact, CDP vendors have pre-built connectors for many standard source systems, which substantially reduces the custom work needed to load data. But the real difference is the CDP then does extensive restructuring, standardization, identity linking, and other processing to make the cleansed, unified data available to other systems. So the final result is marketer-ready, not just the starting point for a new set of processes.

Drowning in the Data Lake

Lattice Engine reports one of their customers built a data lake with all its data about their customers and prospects – a single source for creating segments. But creating a segment required marketing to “file a ticket” with IT. Two weeks later (and after hours of back and forth) marketing got a raw data dump of the target segment. The marketing operations team would then spend another week cleaning the data and making it available to their marketing automation system, CRM system and display ad platform. By that time, the marketing team was already weeks behind in terms of getting the campaign out the door – and if it was a time sensitive campaign the moment had passed.

- **Marketing Clouds and Suites.** Enterprise software companies including IBM, Oracle, Salesforce, and Adobe offer marketing suites that provide many analytical, campaign, and delivery functions. Although they share a common owner, nearly all components of these systems were originally built separately and later purchased by the vendor. They remain largely separate, with each component working from its own customer database. This means the marketing clouds lack a consolidated customer database, making analysis across sources and execution across systems very difficult.

The major marketing clouds also have marketing automation systems and Data Management Platforms as major components. These are designed to target individuals, not accounts. Retrofitting these systems to support Account Based Marketing has been difficult and just partly successful.

By contrast, B2B CDPs are designed from the outset to handle the multi-layer B2B data structure of contacts and accounts. They build one unified database that can share its contents with marketing automation, CRM, DMP, and other systems in the formats they require. This means that marketing departments can adopt a CDP without replacing their existing marketing systems and retraining their staff to use ones.

- **Data Management Platforms (DMP).** DMPs are often confused with CDPs but are very different. DMPs are built to store audiences for online advertising, typically using anonymous cookies that have lists of attributes attached. Most specifically exclude personal identifiers (PII) for privacy reasons and throw away data after a limited period such as 90 days.

The CDP was built to manage known customers and prospects including personal identifiers. It stores raw details, not summarized attributes, and keeps the data for the entire lifetime of each customer (or as long as the marketer wants).



In practice, CDPs and DMPs often coexist, with the CDP feeding audiences to the DMP and the DMP feeding back information about ad placements and results.

- **CRM and Marketing Automation.** CRM systems are designed to support sales and service interactions and marketing automation is built to generate contact lists for email and other messages. The need to perform these tasks efficiently has led their developers to limit their flexibility and design them around data created within the system itself. This means they cannot easily ingest raw data from other systems, especially if that data doesn't fit their core data models.

The CDP is intended to load data generated elsewhere. This means it is built to ingest any type and volume of data, including Web site behaviors, purchase transaction details, product usage history, and other important information not factored into CRM or marketing automation processes. Of course, the CDP loads CRM and marketing automation data as well. Like DMPs, CRM and marketing automation systems often read data from a CDP to make the messages more effective.

What to Look For in a B2B CDP

The features you need in a CDP will depend on your business, existing systems, and intended use. Here are a few key considerations when evaluating CDP solutions for executing ABM programs.

- **Separate account and contact data levels.** Any CDP should be able to ingest account and contact data but a B2B CDP includes additional functions based on these levels. In particular, a B2B CDP must aggregate contact information to the account level for tasks such as building an account-wide view of Web site visits. The CDP may have other levels as well, such as devices associated with an individual.
- **Ingest and unify all internal sources.** These sources include CRM, marketing automation, Web visitor data, transaction data, product usage data and support data. All data should be at the lowest level of detail, so information can be extracted without going back to the original source.
- **Add external inputs.** Common external data about target accounts includes company details (industry, revenue, number of employees, etc.), change signals (executive change, office openings, hirings, etc.) technologies (types of products and specific products used at the company), intent data (derived from content consumption on external Web sites), and online activities (such as Web site content, press releases, job postings, reviews, social media activities, and ad campaigns).
- **Segment creation and activation.** Marketers need an interface that lets non-technical users create complex segments using any data captured in the CDP. They should be able to save and reuse the segments and to publish segment data to other systems on a regular basis.

- **Predictions.** Many CDPs support models that predict who will make a purchase, what products they'll buy, how much they'll spend, when they'll purchase, what marketing messages they'll respond to, and other behaviors or characteristics. Most marketers prefer a system that lets them create and manage their own predictive models without requiring knowledge about how machine learning works.
- **B2B record matching.** B2B databases need to match people to accounts (often called "lead to account" matching), link locations belonging to the same company (typically using data from an external vendor), standardize and match postal addresses, and standardize personal information such as job titles and roles. Because source data is invariably messy, vendors should provide the ability to match using fuzzy logic to account for misspellings, missing data, and other errors. Ultimately, the CDP should be able to map out and organize account, buying center and contact hierarchies.
- **Prebuilt connectors to source and execution systems.** These should include connectors for common source systems, such as order processing, and for common marketing and sales systems, such as CRM and marketing automation. Connectors for common B2B systems are a good indicator that a CDP has a B2B focus. Marketers will also want to ensure they can easily publish their segments into whatever apps and tools they use for campaigns, including ad platforms, marketing automation, CRM, web personalization, and mobile apps.
- **Integrated applications.** Some B2B marketers prefer a CDP that includes capabilities such as predictive modeling, automated segment discovery, list management, lifecycle journey tracking, or personalized message selection. These are especially useful when a company's existing systems don't provide similar features or can't easily connect with the CDP.
- **Measurement.** A B2B CDP might provide single- or multi-touch revenue attribution, account-level and campaign-level reporting, return on investment analysis, campaign performance, segment performance, Account Based Marketing metrics such as account coverage or engagement, opportunity creation and close rates, funnel size and velocity, and more.
- **Data Governance.** Since the CDP has customer data for segmentation purposes, it needs data governance capabilities so that you can be compliant with GDPR and other such initiatives. GDPR requirements include "right to be forgotten" "right to access" as well as ensure the proper certifications and protocols are in place for storing and transferring customer data.

Conclusion

Account Based Marketing has emerged as a winning strategy for B2B sellers. The early successes in small-scale ABM are now being followed with attempts to scale this tactic across all accounts. Scalable ABM starts with a solid data foundation that links data together across different systems. These challenges cannot be overcome with yesterday's marketing systems. A Customer Data Platform connects existing systems to create a unified customer view that makes ABM possible. In a world that never stops changing, the power and flexibility of a CDP will help marketers deliver on the promise of ABM.

Footnotes:

1. IDG, Role & Influence of the Technology Decision-Maker, 2014
2. CEB/Gartner, The Digital Evolution in B2B Marketing, 2012

About Lattice Engines

Lattice moves marketing and sales teams forward by providing a shared set of customer data & insights that accelerates company revenue.

Lattice's predictive marketing and sales solutions helps companies accelerate revenue growth by providing full knowledge of their end customers. We help customers demonstrate proven value of marketing and sales campaigns, by increasing efficiencies across the revenue funnel.

With an unrivaled track record of success, Lattice provides the ultimate in customer value through greater expertise, experience and data precision, coupled with the most comprehensive revenue acceleration solutions. Our rapidly growing customer base includes companies of all sizes and from nearly every industry.

We are privately held and backed by Sequoia Capital and New Enterprise Associates with headquarters in San Mateo and offices in Austin, Boston, and New York City.

Contact:

Lattice Engines, Inc.
1820 Gateway Drive, Suite 200
San Mateo, CA 94404
www.lattice-engines.com

About Raab Associates

Raab Associates is a consultancy specializing in marketing technology and analytics. Typical engagements include business needs assessment, technology audits, vendor selection, results analysis, and dashboard development. The company also consults with industry vendors on products and marketing strategy.

Raab Associates manages the Customer Data Platform Institute, a vendor-neutral organization whose mission is to educate marketers about customer data management.

Contact:

Raab Associates
730 Yale Avenue
Swarthmore, PA 19081
www.raabassociatesinc.com
info@raabassociatesinc.com