DEMANDBASE

HOW TO CLOSE 3X MORE DEALS WITH ABM

INTRODUCTION

As the B2B buying process has become more complex, the number of challenges marketers face has grown substantially.

This has required B2B marketers to change the way they think about their websites, content and digital advertising. Today's marketers can no longer rely on traditional "spray and pray" approaches that deliver a large volume of leads. Instead, they need a strategy that allows them to focus their efforts on the accounts that are most valuable to their business.

The foundation of that strategy is Account-Based Marketing (ABM). At its most basic, ABM is the process of identifying the companies most likely to buy, and then marketing to them. B2B companies understandably want to focus their marketing dollars on accounts with the highest potential to deliver sustainable revenue.

ABM is actually a decades-old concept — B2B companies have long concentrated field marketing efforts on their most valuable prospects. But the way marketers use ABM today is brand new. Why? Because technology now makes ABM automated, data driven, and — here's the big idea — scalable.

ABM starts and ends with data. When you deploy ABM, you'll use data to identify and prioritize a list of target accounts. You'll use data to do Account- Based Advertising (ABA), serving well-timed, personalized ads to individuals based on their job functions at target accounts. You'll use data to automatically personalize your website and landing pages to engage prospects from these companies, whether they visit your site directly 'cold' or arrive through a conversion event such as clicking a display ad.

With ABM, data becomes your secret revenue weapon — and informs your company's entire strategic plan.

What can data-driven ABM deliver to companies like yours? You need proof! This whitepaper provides a case study detailing the steps every marketer must consider to succeed with ABM.

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CHALLENGES B2B MARKETERS FACE

79%
of marketing leads never convert
into sales (MarketingSherpa)

50%
of marketing generated leads are not
followed up by Sales (MillerPierce)

67%
of CMOs struggle to prove the long-term
impact of spending (CMO Survey)

A CASE STUDY IN ABM SUCCESS

CHALLENGE

As a high growth company, Demandbase needed a focused strategy that would help them become more efficient, align their sales and marketing teams and close more deals.

SOLUTION

Demandbase employed Account-Based Marketing across the funnel and implemented a series of technologies across Ads, Web, Marketing Automation Systems and Analytics, to reach their goals.

STEP 1: BUILDING A TARGET ACCOUNT LIST

Demandbase set out to create a list of high-potential accounts that both Sales and Marketing could focus their efforts and resources on. To select "cream of the crop" prospect accounts from among the 600,000 contacts in its database, Demandbase used lead-scoring technology to score each potential account based on its "propensity to close."

Demandbase identified attributes shared by accounts that had already closed and then used predictive analytics to identify which of its 600,000 contacts shared those attributes. Demandbase's highest-value "closed" customers had a few things in common, such as deploying multiple marketing technology platforms, being active on social media and operating sophisticated, high-traffic websites. Contacts with those attributes got the highest scores. As a result of this effort, Demandbase ended up with a list of about 3,000 target accounts, which the company internally refers to as the "DB3K" (ie, Demandbase 3,000).

> "
>
> We used predictive analytics to understand which prospects had the highest probability of becoming customers. This approach enabled us to focus on our most valuable accounts.
>
> *Nani Jansen —*
> *Senior Manager of Marketing Operations, Demandbase*

A CASE STUDY IN ABM SUCCESS

HOW DEMANDBASE BUILT THEIR TARGET LIST

- Assigned a score of 1-100 to each of the 600,000 records in its database based on attributes identified as "high propensity to close"

- Included leads with a score of 95 or above in the DB3K. (Note, this threshold can be dialed up or down, depending on how many accounts you want to end up with)

- Rolled it up to the account level by summarizing both the average and maximum contact scores within any given account.

- Worked closely with Sales to validate scoring by excluding accounts that should not have DB3K status and making exceptions for accounts that needed to be included

- Fine-tuned the DB3k list every two weeks to account for territory and account ownership changes

- Demandbase employed Account-Based Marketing across the funnel and implemented a series of technologies across Ads, Web, Marketing Automation Systems and Analytics, to reach their goals.

ALIGN SALES AND MARKETING WITH ABM

- **Unify effort and resources around common accounts**
- **Generate higher quality leads at accounts Sales cares about**
- **Speak a common language, aligned around accounts**

STEP 2: ADVERTISING TO THE RIGHT ACCOUNTS

Unlike consumer marketers who have millions of potential customers, B2B marketers have a limited number of potential buyers. In fact, 82% of B2B website visitors are not potential customers.

To reach the 18% that mattered to their business, Demandbase used its own Account-Based Advertising (ABA) Solution to execute always-on ad campaigns to reach accounts—including both customers and prospects—wherever they were on the Internet. With ABA, Demandbase was able to target the right accounts, all while reducing wasted ad spend.

Then they served personalized ads to those accounts to increase brand awareness and drive traffic to their website, whether via a click on the ad, or via direct visits that occurred after the ads were seen. With Demandbase, ads can be personalized using over 45 account attributes, including company name, industry, location and more.

Account-Based Advertising (ABA) is display advertising that reaches decision makers at specific companies. ABA goes beyond targeting by cookies, personas (or title), or demographics. Instead, it is a combination of advertising to the right company or target account and the right job functions relevant for your message with the ability to personalize attributes such as company name, industry, and location.

HOW DEMANDBASE ATTRACTED TARGET PROSPECTS

- Launched an ABA campaign to dynamically serve personalized display ads to targets from the DB3K

- Customized ads on attributes including company name and industry

- Changed ad creative at different points in the consideration process to reflect prospects' needs for deeper information as they traveled down the funnel

ABA IN ACTION

Demandbase's ABA campaign with customized attributes, including company name:

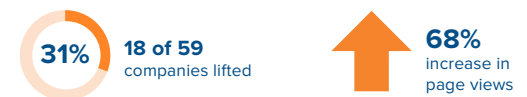## DEMANDBASE LEVERAGED ABA FOR MULTIPLE TYPES OF CAMPAIGNS FOCUSED ON A TARGET LIST

UPSELL CAMPAIGN TO CUSTOMERS

48%   **85 of 176** companies lifted

168% increase in page views

PROSPECT CAMPAIGN TO DB3K ACCOUNTS

33%   **1,001 of 3,004** companies lifted

576% increase in page views

PROSPECT CAMPAIGN TO ACCOUNTS LATE IN SALES CYCLE

31%   **18 of 59** companies lifted

68% increase in page views
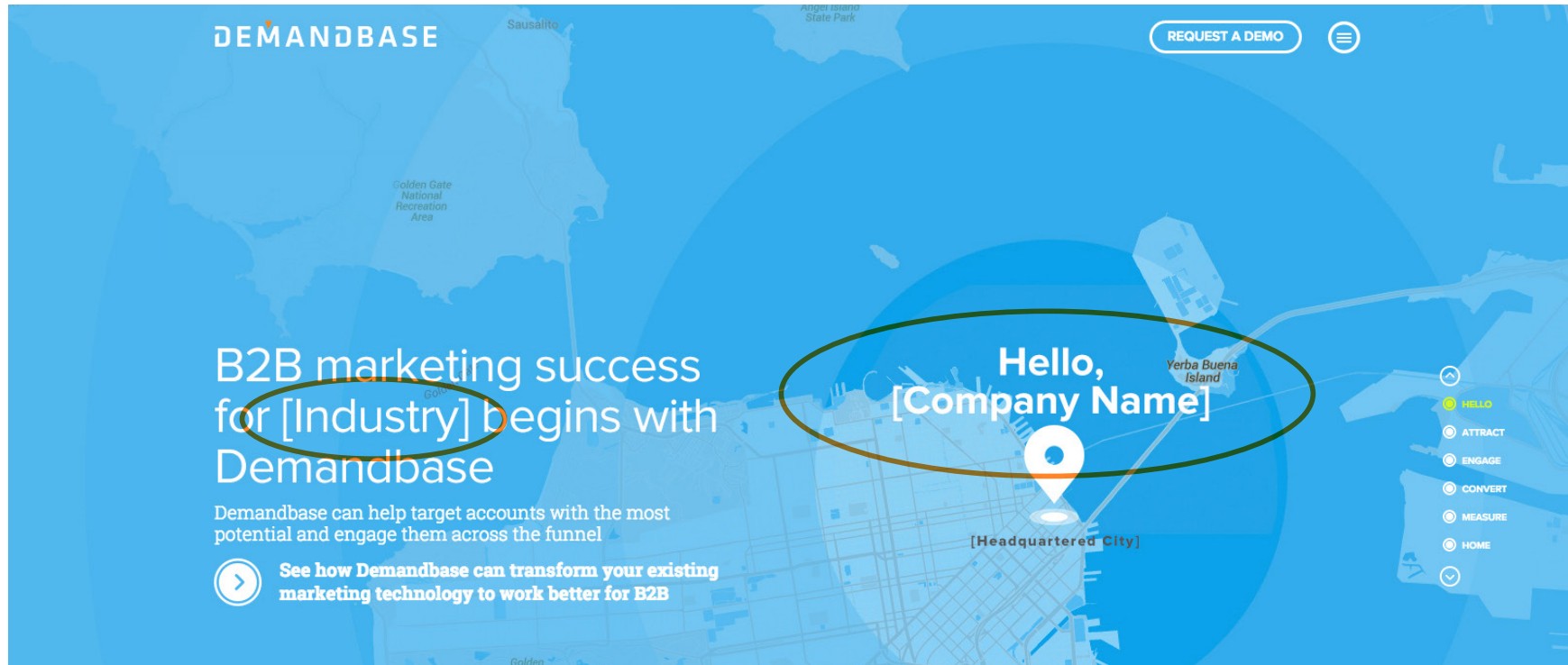
STEP 3: ENGAGING THE RIGHT ACCOUNTS

As every B2B marketer knows, getting visitors to your site is just the first step; keeping them is what matters. But according to data from Marketo, 60% of website visitors bounce without interaction after one page. To keep the attention of your visitors, you need the right content, which allows you to influence the decision early on, even before your prospects fill out a form.

Both large enterprises and medium-sized business alike can benefit from creating custom web experiences, tailored for specific accounts. For example, your homepage might highlight an upcoming webinar for prospect accounts while offering a new product promotion for customers. Website personalization goes beyond simply greeting key accounts by name or industry; with Demandbase Web Personalization solutions, you can create a totally unique experience for website visitors based on how you've classified their IP address. Some accounts will be classified as customers, others as target prospects, while others still as members of specific marketing campaigns. The possibilities are endless!

WHAT IS COMPANY LIFT?

Lift is the increase in engagement from the baseline period to the campaign period. This includes net new companies with no previous page level engagement during the baseline period and companies showing more engagement during the campaign period when compared with the baseline period. The Demandbase benchmark is between 20-25%.

WHAT IS A PAGE VIEW?

A web page that has been viewed by a visitor is a page view.

WHAT CAN YOU DO WITH ABA?

- Upsell and renew current customers

- Generate awareness and interest at prospect accounts

- Educate late-stage prospects to accelerate closings

- Expand awareness in new divisions at customer accounts

- Give existing marketing campaigns a digital boost

HOW DEMANDBASE ENGAGED SITE VISITORS

- Delivered personalized experiences through the entire website including homepage, product pages and other pages on the site using text and imagery

- Customized experience for visitors continued as they can came from ABA and navigated through Demandbase.com

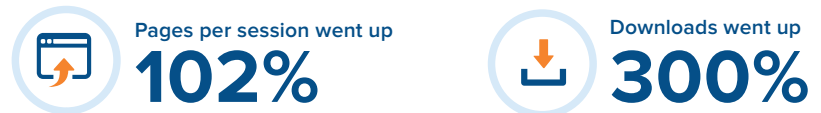## WEBSITE PERSONALIZATION IN ACTION

OUTCOME

FOR PROSPECTS:

Pages per session went up
109%

Downloads went up
117%

FOR CUSTOMERS:

Pages per session went up
102%

Downloads went up
300%

STEP 4: CONVERTING THE RIGHT ACCOUNTS

Personalized display and website copy can help drive onsite conversions, but an ABM strategy can do more than that when it comes to actually closing deals. Marketing can support Sales with data across each stage of the funnel. This data can include information on unknown visitors—before they raise their hands or fill out a form. And with today's technology advances, B2B marketers can get data from the removed fields along with additional firmographic data points.

To convert their target accounts, Demandbase worked closely with their sales team and monitored website activity to gauge buying signals. They also measured traditional conversion metrics such as whitepaper downloads and requests for demos.

HOW DEMANDBASE CONVERTED SITE VISITORS

1. Dynamic forms were restricted to 6 fields, of which the company name was auto populated based on the IP address the visitor came from

2. Demandbase technology automatically populated 'hidden' fields based on a prospect's corporate IP address, such as company industry, revenue range, size, location etc.

3. Armed with rich data on each lead, sales teams tailored outreach to each prospect in a highly personalized way

CONVERSION WITH CUSTOMIZED FORMS IN ACTION

OUTCOME

- Increased the likelihood of conversion by limiting the form to 6 fields

- Boosted the chances of conversion by 8.5% by eliminating a single field

- Appended critical account data at the point of entry into the database, including:

✓ Employee count   ✓ Country code

✓ Employee range   ✓ Country name

✓ Annual Sales   ✓ Industry

✓ Revenue range   ✓ Sub industry

STEP 5: MEASURING THE SUCCESS OF YOUR ABM PROGRAM

The final step is measuring results. Measurement should happen at every stage of the funnel and it should focus on metrics that matter to B2B, rather than traditional metrics. A majority of marketing data doesn't provide actionable insight on how to drive revenue or improve performance.

Demandbase went beyond traditional metrics and used their own solution, Web Analytics to measure how well they are attracting, engaging and converting their target accounts.

HOW DEMANDBASE USED ANALYTICS TO MEASURE PERFORMANCE

Google Analytics and Adobe Analytics are used for tracking web activity. On a weekly basis, Traffic, Engagement and Conversion metrics are monitored for the DB3K and customers. While the KPIs are no different, the lens through which these numbers are looked at is – instead of focusing on web traffic overall, for example, Demandbase looks at traffic from each of its target audience segments.
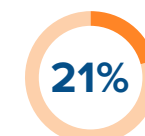
With an emphasis on quality of traffic vs. quantity, Demandbase also looks at engagement and conversion rates, analyzed by group of company and by industry.

ACCOUNT-BASED ADVERTISING RESULTS

737 of 3,462 DB3K companies lifted at:

21%
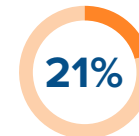
14 of 53 late stage DB3K prospects lifted at:

21%

DB3K prospects downloaded content faster than before

204% INCREASE

DB3K prospects were:

21% more likely to enter pipeline

78% more likely to close
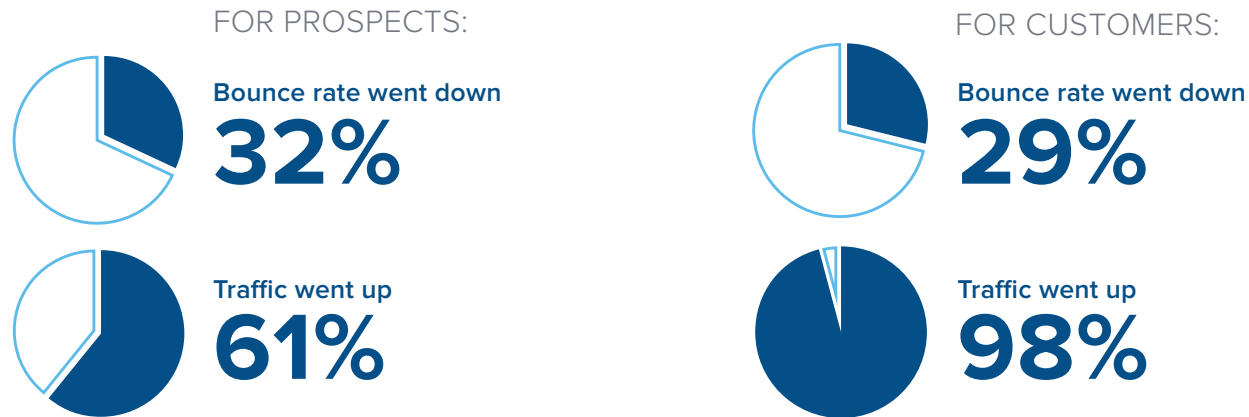
WEB TRAFFIC RESULTS

When compared with the baseline period, a larger percentage of website traffic came from target accounts. Although overall traffic was down, there were clear indicators that the right type of visitors were coming to the site and spending more time engaging with the right content as a result of the ABM strategy:

FOR PROSPECTS:

Bounce rate went down
32%

Traffic went up
61%

FOR CUSTOMERS:

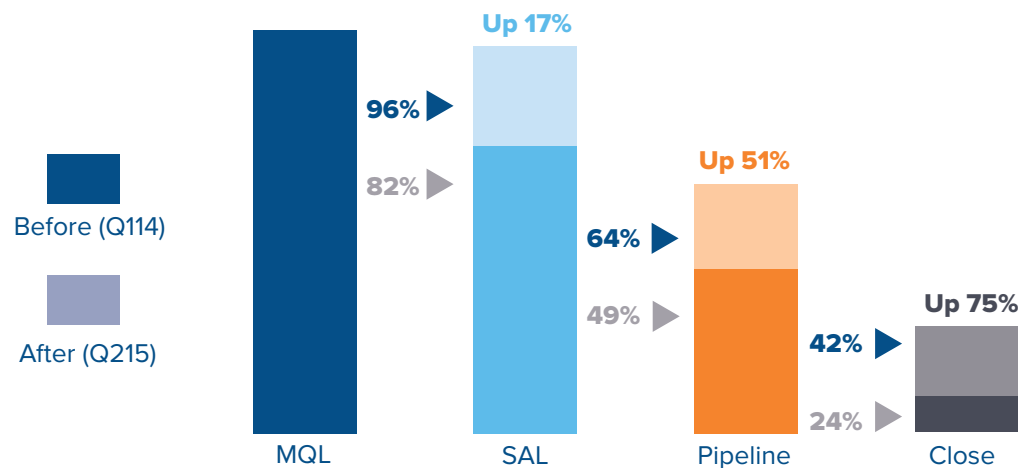**Bounce rate went down**
29%

Traffic went up
98%

> **Instead of just measuring the impact our campaigns had on overall traffic, we segment inbound traffic into groups of companies that are most important to our business, and present a unique web experience for each priority segment, including early and later-stage prospects, customers and industry verticals.**
>
> *Leah Allen — Director of Digital Marketing, Demandbase*

REVENUE PERFORMANCE

Although the campaign-level metrics on the previous pages are important to measure — and are bound to get intense scrutiny from department-level managers — B2B marketers can't stop there. In order to prove impact on revenue, and get the attention of the CMO and Chief Revenue Officer, it's critical to track key funnel metrics that reveal how the investment in ABM (including ABM technology to power the strategy) is paying off.

The chart below shows Demandbase's revenue impact before the company invested in ABM and after, having implemented ABM for one full year. From Q12014 to Q12015, Demandbase saw higher conversion rates at all points in the funnel from MQL creation to deal closure. (Note: at Demandbase an MQL is defined as "an opportunity created in SFDC." Many companies define MQL as a highly scored lead that is likely to become an opportunity; thus it's important to define terms in this context). Putting this data in the simplest terms: before the company's investment in ABM (powered by their own technology), it would close 9.6 deals for every 100 MQLs generated. One year later, the company's conversion rates had improved to such a degree that it would close 26 deals for every 100 MQLs generated. That's an increase of 2.7x!

Before (Q114)

After (Q215)

Up 17%

96% ▶

82% ▶

Up 51%

64% ▶

49% ▶

Up 75%

42% ▶

24% ▶

MQL   SAL   Pipeline   Close

- **96% of MQLs converted to SALs, an increase from 82%**
- **64% of SALs converted to Pipeline, a jump from 49%**
- **Close rates nearly doubled from 24% to 42%**

This means fewer but greater quality leads are converting at a higher rate, which ties back to the first step of identifying the right target accounts to market to. Conversely, the absence of an ABM strategy (and the ABM technology to power it) means having to generate a larger number of leads to achieve the revenue target.

REVENUE PERFORMANCE

The previous pages covering Revenue Performance provided a before and after view of all opportunities that went into pipeline at Demandbase during the measurement period (Q12014 to Q12015), regardless of whether those accounts were on the company's target account list. This section compares the behavior of targets accounts vs. non-target accounts during the same measurement period and the impact ABM has had on key business drivers, including close rate, ACV (annual contract value; also known as average selling price or ASP). These business drivers get the attention of the CEO and CFO since they are key predictors of overall business health and the basis on which many companies form their sales forecasts and revenue goals.

The results here will validate whether a company has picked the right target account list and whether the marketing efforts against that list are working. This data can also be used to establish goals around what percent of target accounts should be responding to campaigns by segment.

Sales Team	Close Rate	ACV	Funnel Velocity
Enterprise	+285%	+35%	+2%
Mid Market	+166%	+40%	-20%
Advertising	+57%	+31%	+65%

- DB3K accounts in the enterprise, mid market and advertising segments closed at a faster rate than non-DB3K accounts

- Average contract value or ACV shows double digit increases, which means DB3K prospects who purchased bought a greater number of prospects than non-DB3K prospects

- Funnel velocity was down for enterprise and advertising customers, which Demandbase attributes to expanded ACVs' or more products in the prospect's consideration set which may tend to slow down the buying process

BECOME AN ABM EXPERT
AT YOUR COMPANY

Demandbase offers two ABM Certification courses online that you and your team can take in the convenience of your home or office. An Expert-level course is also offered in select cities throughout the year.

FOUNDATIONS ABM CERTIFICATION

Learn the importance of Account-Based Marketing and gain how-to tips that'll get you started on the path to success.

ADVANCED ABM CERTIFICATION

Get best practices on topics including sales & marketing alignment, target account list development, metrics and budgeting.

Register now: www.demandbase.com/cert

ABM
CERTIFIED
STRATEGIST

CONCLUSION

When it comes to B2B marketing, precision pays. Targeting a selection of high-potential accounts with personalized, timely advertising —and then delivering a unique site experience to each visitor—delivers far superior results than standard B2B marketing techniques like cookie-based display ads and one-size-fits-all websites. With Account-Based Marketing, B2B marketers can use technology to attract, engage, convert, measure and close their highest value accounts.

For more information, visit the Expert ABM Resources page on our website at **www.demandbase.com**.

DEMANDBASE

Demandbase is a leader in Account-Based Marketing (ABM). The company offers the only Artificial Intelligence-enabled, comprehensive ABM platform that spans Advertising, Marketing, Sales and Analytics. Enterprise leaders and high-growth companies such as Accenture, Adobe, DocuSign, GE, Salesforce and others use Demandbase to drive their ABM strategy and maximize their marketing performance. The company was named a Gartner Cool Vendor for Tech Go-To Market in 2016. For more information, please visit **www.demandbase.com** or follow the company on Twitter **@Demandbase**.