

# Three types of account-based marketing



# Three types of account-based marketing

Bev Burgess, [ITSMA](#)

The first step to ABM success is establishing a common vocabulary and shared definitions to ensure that all players—sales, marketing, delivery, and other stakeholders—are working from the same playbook

---

## Key takeaways

ABM is a strategic approach that treats individual accounts as markets in their own right.

In response to the growing demand for ABM, companies have developed three different approaches: Strategic ABM, ABM Lite, and Programmatic ABM.

Based on the great success of the early adopters, as well as changes in the broader marketing and technology environment, account-based marketing (ABM) is suddenly being hyped as the next great revolution in B2B marketing. As the organization that pioneered ABM and that has helped develop and spread best practices since 2004, ITSMA couldn't be happier with all the attention. But one of the consequences of all the hype is growing confusion about what ABM is and isn't.

This *Marketing Tool* provides the definition of ABM and detailed descriptions of the three specific approaches companies are taking. Robust, shared definitions ensure that all players—sales, marketing, delivery, and other stakeholders—are working from the same playbook. This is the first step to success with ABM.

### Defining ABM

#### Account-based marketing: treating individual accounts as markets in their own right.

There are four underlying principles of ABM:

- **Client centricity and insight.** With ABM, sales and marketing focus on solving the buyer's problem, rather than promoting the solution they want to sell. This outside-in approach means understanding clients and their organizations in enough depth to create propositions that help them achieve their business objectives.
- **Partnership between sales and marketing.** ABM will only achieve its potential when sales and marketing work hand in hand. This requires more than agreeing upon definitions, rules of engagement, and a list of prioritized accounts. It means that sales and marketing are equal partners collaborating on the same team.
- **Focus on reputation and relationships, not just revenue.** ABM objectives focus on client lifetime value, going beyond lead generation and near-term revenue goals to drive increased mindshare and stronger, long-term relationships.
- **Tailored programs and campaigns.** Using a combination of market insight, account insight, and individual buyer insight, marketing and sales craft personalized content to drive interest and engagement.

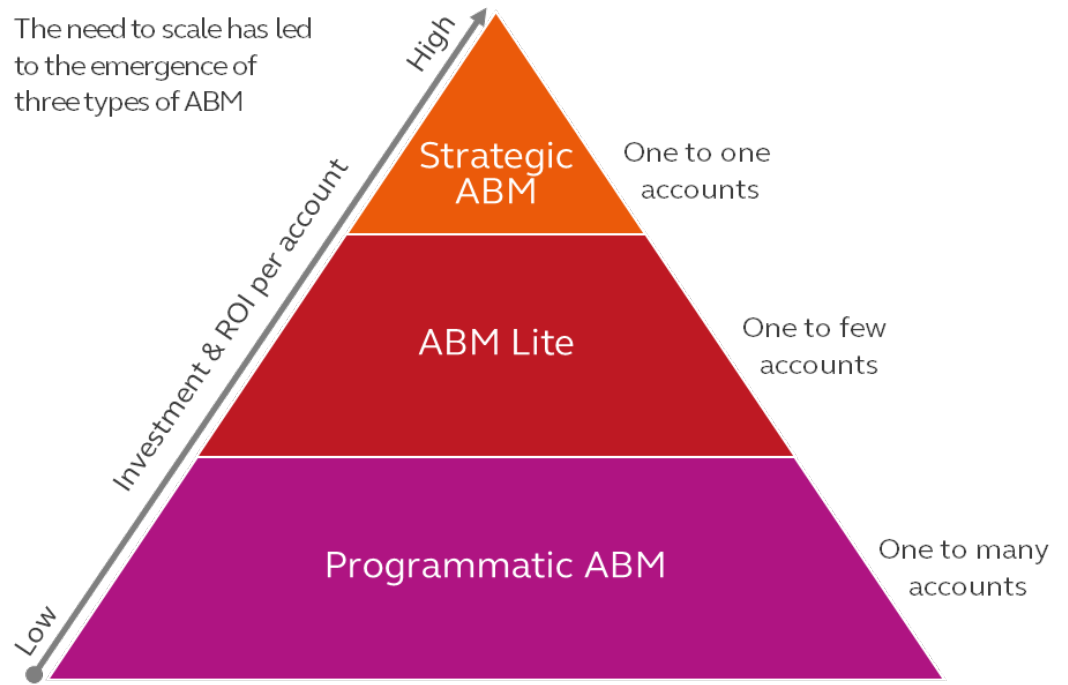
Source: ITSMA, 2017

### The Three Types of ABM

Account-Based Marketing is one of the hottest trends in B2B marketing for a very simple reason: It works. Some 78% of B2B marketers say that ABM is very important or important to their marketing strategy, and its importance continues to grow. ABM success is creating a virtuous cycle of increased internal demand (especially from sales teams) and investment. In 2016, 69% of B2B marketers plan to increase their spending on ABM, according to ITSMA's most recent research.

In response to the growing demand for ABM, as well as the growing recognition that lead generation and nurturing are more effective if managed and tracked in the context of a named account, companies have developed different approaches to enable faster program expansion and broader coverage of accounts. Marketers are now implementing three different types of ABM: Strategic ABM, ABM Lite, and Programmatic ABM (Figure 1 and Table 1).

**Figure 1. The three types of ABM**



Source: ITSMA, 2017

**Table 1. The three types of ABM at a glance**

	Strategic ABM	ABM Lite	Programmatic ABM
Definition	<i>Creating and executing highly-customized programs for individual accounts</i>	<i>Creating and executing lightly-customized programs for clusters of accounts with similar issues and needs</i>	<i>Leveraging technology to tailor marketing campaigns for specific named accounts at scale</i>
Marketer-to-account ratio	One-to-one (although a single marketer might be assigned more than one Strategic ABM account)	One-to-few	One-to-many
Average # accounts per full-time ABMer	4	22	N/A
Account focus	70% existing / 30% new	56% existing / 44% new	51% existing / 49% new
Primary objectives	<ul style="list-style-type: none"> <li>• Change perceptions</li> <li>• Build relationships</li> <li>• Identify opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Build relationships</li> <li>• Identify opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Generate leads</li> </ul>
Nature of collaboration with sales	Integration with strategic account teams	Coordination with sales leadership and account teams	Coordination with sales leadership and sales operations
Source of funding	Business unit, sales, marketing	Marketing	Marketing
Marketing content	Individualized, customized, and repurposed	Customized and repurposed	Repurposed
Top tactics	<ul style="list-style-type: none"> <li>• One-to-one meetings</li> <li>• Account-specific thought leadership</li> <li>• Innovation days</li> <li>• Executive engagement plans</li> <li>• Private events</li> </ul>	<ul style="list-style-type: none"> <li>• One-to-one meetings</li> <li>• Email marketing</li> <li>• Executive engagement plans</li> <li>• Custom collateral</li> <li>• Reverse IP/digital advertising</li> </ul>	<ul style="list-style-type: none"> <li>• Email marketing</li> <li>• One-to-one meetings</li> <li>• Reverse IP/digital advertising</li> <li>• Direct mail</li> <li>• Blogs/social engagement</li> </ul>

Source: ITSMA Account-Based Marketing<sup>SM</sup> Survey, March 2016 (N=112)

### **Strategic ABM: Creating and executing highly-customized marketing plans for individual accounts.**

This original ABM approach is usually reserved for strategic accounts and executed on a one-to-one basis. With Strategic ABM, account teams build stronger relationships with a company’s most valued customers and prospects via highly targeted marketing interactions that demonstrate in-depth understanding of their business issues.

### Three types of account-based marketing

Most importantly, Strategic ABM is done *with* clients, not *to* them, to drive value for both companies.

With this approach, a dedicated, senior-level marketer works directly with one or a few strategic or key account teams on the sales side, and crafts fully customized marketing plans and programs for each individual account as an integral part of the overall account plan. Technology can help with account insight, targeted communications, and tracking progress, but the approach requires a significant amount of “art” as well, including the creation of tailored value propositions, thought leadership, and relationship development initiatives.

There is often a commitment to joint value creation via new offering development and innovation. Key metrics go well beyond revenue, to include brand perception, breadth and depth of relationships, new solution development, business collaboration, and client advocacy.

Despite having the word “marketing” in the name, Strategic ABM is not exclusively a marketing program. Rather, it is a corporate initiative that directly impacts business outcomes such as revenue growth, advocacy, and client lifetime value.

#### **ABM Lite: Creating and executing lightly-customized programs for clusters of accounts with similar issues and needs.**

This is a one-to-few model, typically applied to groups of strategic and/or second tier named accounts. Companies already engaged in Strategic ABM often move to an ABM Lite approach to extend their initial success. Other companies start with ABM Lite to begin the transition to a more customized, account-based approach.

With ABM Lite, marketing programs and campaigns are typically focused on small groups of accounts rather than individual accounts, usually 5–10 at a time, that share similar business attributes, challenges, and initiatives (e.g., tier-one retailers shifting to a personalized, omnichannel operating model).

Collaboration with sales is focused mainly on key decision points, such as which accounts to target, which business issues to highlight, which propositions to promote, and how to tailor existing content for these one-to-few programs and campaigns.

Technology can be more important with ABM Lite than with Strategic ABM, helping to automate the account insight process, campaign execution, and measurement. The ABM Lite approach can cover more accounts with the same level of marketing resources, so is often attractive as companies want to scale beyond the smaller set of strategic accounts. But the returns for any individual account will, of course, likely be “lite” as well. Key metrics tracked are pipeline and revenue growth.

### Programmatic ABM: Leveraging technology to tailor marketing campaigns for specific named accounts at scale.

This is the newest approach to ABM. With Programmatic ABM, marketing shifts its traditional focus from generating, nurturing, and tracking leads by individual to an account-based view that better matches the account-based way that sales goes to market. Further, marketing uses the same account-based approach to support upselling, cross-selling, renewals, and customer success.

This one-to-many approach is possible due to the latest technologies that enable razor-fine targeting, analytics, and personalization across hundreds or even thousands of identified accounts. With an account-based view of the world, marketers can use Programmatic ABM tools to collect customer insight through social listening technologies, serve targeted content through reverse-IP recognition and cookies, and tie individual lead nurturing to overall account progress through the buy cycle.

With just one marketer working across hundreds of accounts, Programmatic ABM is much less marketing resource intensive and can provide coverage far beyond Strategic ABM or ABM Lite.

Programmatic ABM can and should be aligned with the company's sales coverage model. Companies use programmatic ABM to target specific segments (e.g., horizontal or vertical markets) or other groups of named accounts selected from across an overall market. They use outbound tactics to reach accounts on a named list, supplemented with inbound lead filtering to nurture those who are associated with the targeted accounts.

Key metrics include pipeline and revenue growth, as well as total revenue tied directly to ABM initiatives. 📌

#### For more information

Browse all ITSMA publications at <http://www.itsma.com/research/>.

#### About ITSMA

For more than 20 years, ITSMA has led the way in defining, building, and inspiring excellence in B2B marketing. With a dedicated focus on services and solutions for the connected economy, we provide our member community with insight, advice, and hands-on help to strengthen reputation, increase revenue, and deepen customer relationships. Learn more at [www.itsma.com](http://www.itsma.com).

*ITSMA Marketing Tools* are available at no charge to anyone from an ITSMA member company and for sale to others. Learn more about the benefits of membership at [www.itsma.com/membership/](http://www.itsma.com/membership/).