



The Pulse: The State of Account-Based Marketing in 2019

Account-based marketing (ABM) programs continue to grow, fueled by the delivery of strong results, including larger average deal size, higher account engagement, improved win rates and strong ROI

Many ABM practitioners are still unable to measure against some KPIs – correcting these shortcomings should be a top priority

ABM leaders must ensure their teams are using the optimal content types and delivery mechanisms

New musical artists sometimes find immediate fame with their first album, rapidly climbing the pop radio charts, selling out concert arenas around the world, and maybe even winning prestigious awards. But even as they enjoy their success, they also face ongoing pressure from their management, record label and hordes of new fans to record the next big hit and prove that their initial success was not a fluke.

Even as account-based marketing (ABM) programs increase in popularity among b-to-b organizations and deliver significant business results, ABM leaders must justify greater investment by providing comprehensive measurement to show the programs' impact. In this brief, we explore this and other findings from SiriusDecisions' 2019 State of Account-Based Marketing Study and make recommendations to address the most important areas of focus.

About the Study

The 2019 State of Account-Based Marketing Study combined data from the SiriusDecisions Command Center® with a global field study and anecdotal inquiry-based evidence. The findings in this report examine the adoption, growth, execution, investment and impact of ABM across global organizations.

A wide range of b-to-b organizations participated in the study, with input from more than 120 ABM leaders across the Americas, Europe and Asia, representing SiriusDecisions clients and non-clients. Organizations from all revenue bands and industries were included: 67 percent of respondents were in IT (software and hardware), 11 percent were in financial services, 10 percent were in business and professional services, 4 percent were in advanced manufacturing, and 3 percent were in healthcare. Fifty-seven percent had annual revenue greater than \$250 million, and 22 percent had annual revenue of \$2.1 billion or greater.

Key Findings and Observations

Responses from the 2019 State of Account-Based Marketing Study were analyzed in the context of market trends and client discussions to provide the following findings and observations:

- **ABM continues to deliver strong and quantifiable results.** Survey respondents reported experiencing a larger average deal size, better win rate, higher account engagement and higher ROI in their ABM accounts than in accounts in the control group. With these demonstrable results, ABM is

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expected to remain a popular b-to-b discipline. To articulate its impact, ABM leaders should benchmark ABM account performance against either a control group of similar accounts that did not receive ABM support or the baseline before ABM was launched.

- **Marketers must address numerous ABM measurement challenges.** Despite the strong results ABM practitioners have reported and the continued growth in investment in ABM, measurement is lacking. Between 40 percent and 60 percent of respondents (depending on the metric) indicated that they cannot report on important indicators of ABM's impact, such as ROI, improvement in win rate, larger average deal size and account engagement uplift. ABM leaders cannot build a robust business case for the resources needed to scale ABM purely on the strength of clickthrough rates and seller testimonials – which means that without demonstrating larger-scale impact, they may not be able to sustain the programs over the long term. ABM leaders should choose metrics that support value realization through the short, medium and long term, and partner with marketing operations to identify and report on key metrics (see “The SiriusDecisions Account-Based Marketing Measurement Evaluation Tool”).
- **ABM budgets and allocations vary widely among organizations.** The study showed that the average annual budget for an ABM program is just over \$340,000. However, this figure rises to more than \$600,000 for mature ABM programs that have completed their pilot stage and created a strong business case for the resources needed to scale up. ABM budgets vary widely depending on organization size, from multibillion-dollar enterprises with ABM budgets up to several million dollars, to small organizations running ABM pilots on less than \$100,000 (with a goal of scaling up once value has been proven). All budget figures exclude headcount due to differences in cost accounting, but the organizations surveyed typically spend approximately 20 to 25 percent on headcount, 50 percent on program execution costs (e.g. insights gathering, events, media spend), and 25 to 30 percent on technology service providers and agencies. When setting budgets, organizations should ensure their plans are commensurate with the program scope and goal and that all key spend categories are accounted for, even if they are being sourced internally and do not require additional budget allocation (see the brief “Budget Considerations for Account-Based Marketing”).

Benefits of Deploying Account-Based Marketing

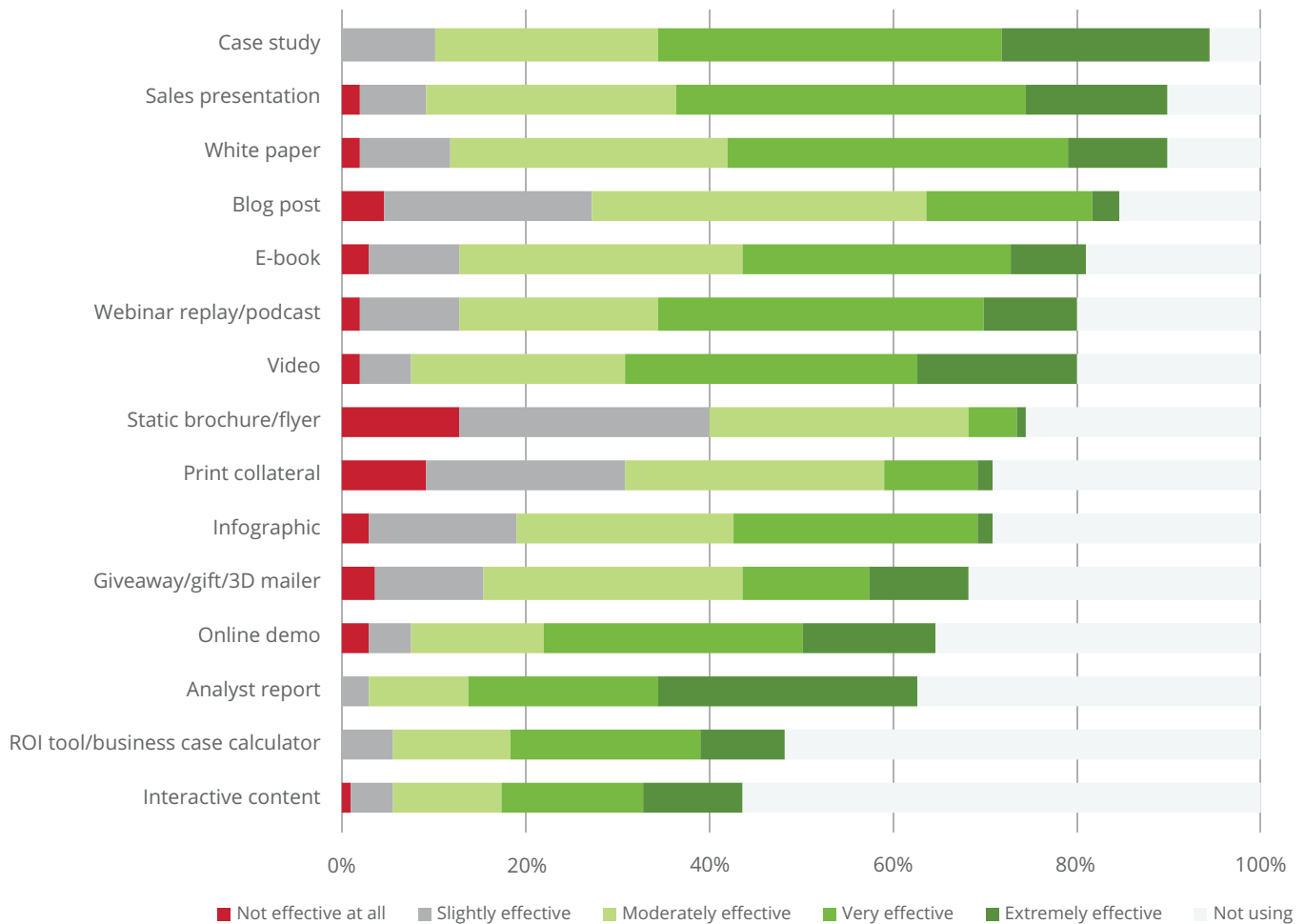
Result	Percent reporting an uplift	Average uplift
Average deal size uplift from ABM accounts compared to control group	72%	21%
Improvement to win rate from ABM accounts vs. control group	86%	13%
Improvement to account engagement from ABM accounts vs. control group	98%	20%
Higher ROI compared to control group	89%	24%

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- **ABM investment continues to grow, accelerated by ABM infrastructure spending.** The percentage of respondents indicating that they plan to increase their spending on ABM rose from 66 percent in the 2017 study to 70 percent in 2019. Unsurprisingly, this figure increased to almost 90 percent among respondents that were still piloting ABM, as one of the core goals of any pilot is to test and improve the concept before creating a business case for the increased investment needed to scale up (see the brief “Building a Post-Pilot Business Case for Account-Based Marketing”). Part of this new investment is expected to be allocated to ABM technology infrastructure, with account-based advertising and retargeting, content management and personalization, web personalization, and intent monitoring as the fastest-growing infrastructure categories. When making ABM infrastructure investment decisions, organizations should avoid simply following the crowd; instead, focus first on gathering business requirements and auditing existing capabilities to understand the extent to which needs can be solved with existing infrastructure – before developing a roadmap and talking to suppliers (see the brief “The Account-Based Marketing Technology Landscape”).
- **Account-based marketers should optimize their tactic mix for increased effectiveness.** Respondents were asked about the content offers they used during the past 12 months with their ABM accounts, how they were being delivered, and how effective they were at driving account engagement. The top five most effective content offers (as

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Account-Based Marketing Content Effectiveness



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Source: SiriusDecisions 2019 State of Account-Based Marketing Study

defined by the number of respondents who described them as “very” or “extremely” effective) were case studies, sales presentations, videos, analyst reports and white papers. However, a significant number of respondents indicated that they do not use these content offers (especially videos and analyst reports), and some content offers identified as less effective (e.g. static brochures/flyers and print collateral) appeared among the top 10 most used content offers. Respondents reported similar overreliance on less effective delivery mechanisms (e.g. email) and underreliance on more effective delivery mechanisms (e.g. executive briefings, target accounts’ internal communications channels). When deciding the optimal mix of tactics to use, ABM leaders should supplement this data with their own research – e.g.

looking at recent win/loss analysis to understand how accounts consumed content as they moved through the buyer’s journey.

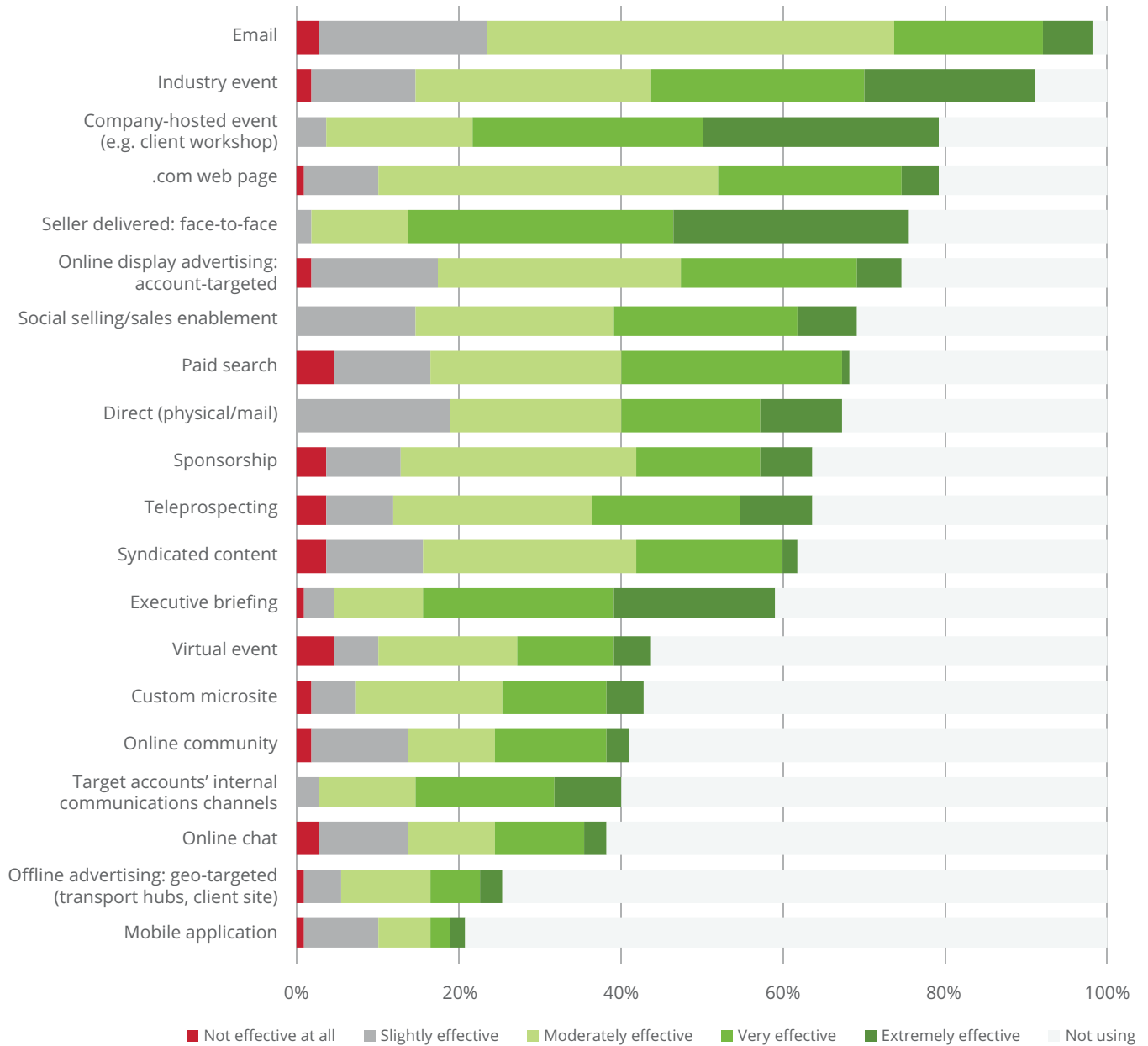
The Sirius Decision

Although ABM has been an increasingly popular discipline in b-to-b marketing for several years, it will continue to attract investment and attention only if practitioners persistently hold themselves to high standards and ensure their programs are successful and cost-effective. ABM teams must understand and uphold the core tenets of ABM, such as the use of insights and customized approaches that recognize that all accounts should not be treated the same way. ABM success also requires a laser focus on measurement to demonstrate



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Account-Based Marketing Delivery Mechanism Effectiveness



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programs' impact. These guidelines are particularly important in organizations whose ABM programs are currently pilots;

following best practices helps the programs become embedded in the fabric of the organization.

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