

Getting Strategic with Account-Based Marketing

October 2004—Account-based marketing is the ultimate expression of the trend toward smaller and more precisely targeted campaigns. As marketers move from shotgun-style programs toward more focused initiatives, it's perhaps not surprising that some are moving all the way to individualized programs for specific accounts. At a time when anchor clients and customer loyalty are increasingly critical to long-term success, account-based marketing offers the promise of creating deep and trusting relationships.

ITSMA research suggests that account-based marketing initiatives can deliver substantially greater results than more traditional, broad-based efforts. Nearly three-quarters of companies participating in a recent ITSMA survey agreed that account-based marketing provides a better return on marketing investment. Of respondents who agree, a large majority of companies claim results more than twice as good.

Tapping the full potential of account-based marketing, however, can require substantial changes in traditional priorities and skills. Assuming that resources are limited, investing in account-based marketing may mean cutting back in such areas as advertising, direct mail, and trade shows, instead channeling resources toward customer research, private briefings, and relationship development.

Perhaps most important, building a strategic account-based marketing capability demands a fundamental alignment of marketing and sales to avoid potential turf battles over who owns the account. At best, the technique can catalyze powerful new collaboration between marketing and sales to create a holistic business approach to the customer. At worst, it can foster even greater internal competition and mistrust.

Given the sensitivities on the sales side about account control, most marketing organizations start small, providing basic support to account teams in areas such as proposal support and account penetration and then moving gradually toward a more ambitious agenda.

ITSMA's account-based marketing framework highlights four main approaches that begin with modest, ad hoc initiatives and become increasingly strategic, sophisticated, and comprehensive:

- **Bid support.** Marketing works with sales account teams to support major bids with research, customized collateral, proposal development, and perhaps a special marketing communications initiative.
- **Account penetration.** Marketing works with sales to create a more structured approach to generating business with new and existing accounts. This effort may involve customized programs to demonstrate industry expertise and complement direct sales activities.

- **Relationship development.** Marketing begins to look beyond revenue and share of wallet to longer-term influence with key customers and prospects. There is a greater emphasis on customer and market intelligence to support ongoing programs tailored to individual accounts.
- **Strategic positioning.** At the highest level, marketing focuses on longer-term positioning objectives within individual key accounts. To what extent does the customer perceive your firm as a trusted advisor? Where does your firm stand with the customer vis-à-vis its other strategic partners and your main competitors? This approach requires the most substantial commitment of resources and the greatest degree of strategic marketing skill. It also requires the utmost trust and collaboration internally between sales and marketing, as well as top executive support. Over time, however, it promises to deliver the most substantial results.

Regardless of the approach, there are several steps that almost all marketers take when conducting account-based marketing:

- Selecting target accounts
- Researching and analyzing individual accounts
- Clarifying key issues for each account
- Creating targeted value propositions for each account

Most marketers also include efforts to map their portfolios to individual accounts and conduct joint planning workshops with sales. In addition, about two-thirds of marketers develop or adapt thought leadership content for specific accounts, which is an excellent tool to open dialogue and gain credibility around the account's key issues.

Research lies at the heart of the entire process. Frequently, services providers create in-depth profiles of target accounts, highlighting their key performance issues and the perceptions and priorities of decision makers. This helps marketers identify the key issues facing each account, map those issues to its own portfolio, and develop customized value propositions. Research can also drive account-targeted thought leadership and provide the basis of ongoing, value-added dialogue.

Account-based marketing can indeed bring great benefits to most marketing organizations. Deciding which approach is most appropriate, however, brings into play a number of issues, such as the current account management model, marketing and sales relations, marketing skills and resources, and corporate strategy toward key accounts.

Starting small and proving marketing's value generally makes the most sense. But keeping your eye on the strategic ball and seeking opportunities to move toward deeper relationship development and enhanced positioning will ultimately create the greatest long-term results.

Interested in developing or expanding your account-based marketing program? Let us know how we can help.

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For more information, see ITSMA's new report, Account-Based Marketing: The New Frontier. The report reviews how companies are implementing account-based marketing, provides a framework for four different approaches, and outlines key areas for aligning marketing and sales resources for

maximum impact. This report is available at no charge to ITSMA members and for sale to all others. Learn more at <http://www.itsma.com/research/abstracts/U0048.htm>.

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