15th Annual Conference: Global Sales Science Institute, 8-11 June 2022, Frankfurt, Germany
https://www.ama.org/events/academic/2022-global-sales-science-institute-and-ama-sales-sig-conference/

The Anatomy of Account-Based Marketing: A Conceptualisation of Strategic Dimensions

Adam Mullen, Cranfield School of Management [1]
Javier Marcos-Cuevas, Cranfield School of Management
Vasilis Theoharakis, Cranfield School of Management

Abstract:

Purpose — The purpose of this paper is to conceptualise an emerging B2B strategy known as account-based marketing (ABM). ABM is a mid-to-long-term strategy deployed by enterprise organisations to target, engage, and grow high-potential accounts.

Design/Methodology/Approach — A mixture of academic and practitioner literature has been synthesised to create a tentative conceptual model of ABM.

Findings — In ABM, digital technologies can be used to scale the engagement process, allowing selling teams to switch from targeting one account to many using pooled intelligence, smart resources, and automation.

Originality/Value — This paper presents a conceptual model of ABM, whilst providing a foundation for future research.

Keywords — *Account based marketing, sales and marketing alignment, sales-marketing interface, role of marketing in enabling the sales process, sales automation.*

Paper Type — Research paper

[1] *Adam Mullen, Doctoral Researcher, adam.mullen@hotmail.co.uk,*
Cranfield School of Management, Cranfield University, Central Avenue, Bedford MK43 0AL

1. Introduction

There has been an explosion of ABM practice over the last several years, with many leading enterprise companies, including Microsoft, Fujitsu, and Cisco, amongst others, championing the strategy across multiple forums. Furthermore, industry benchmark studies (see Forrester Consulting, 2021; ITSMA, 2017), consistently report that ABM delivers the highest ROI of all marketing strategies in play. Practice is clearly ahead of theory here. However, there has been very little conceptualisation of this topic in the academic domain, which is what this research paper is looking to address.

As a starting point, we suggest that ABM is an evolution of key account management (KAM) practice, designed to deliver highly personalised marketing campaigns that can be scaled using technology (Tanner Jr., 2021). Furthermore, ABM should be thought of as a high-level business approach, where sales and marketing teams work together in unison (Johnson, Matthes, and Friend, 2019) to target and engage strategic accounts of high value with major growth potential.

Moreover, we can adopt the ITSMA's (cited in Burgess and Munn (2017, pg.3) widely referred, yet untested definition, to give the strategy further conceptual understanding:

> *"Treating individual accounts as markets in their own right, ABM is a structured process for developing and implementing highly-customised marketing programmes to strategic accounts, partners or prospects."*

One of the key distinctive features of ABM is the use of digital technologies, such as marketing automation, omnichannel communications, and digital engagement (Storbacka and Moser, 2020; Tanner Jr., 2021; Rangarajan *et al*., 2021), to assist selling teams in scaling their strategies from a more targeted, one-to-one approach through to a programmatic, one-to-many approach (Burgess and Munn, 2017) — retaining high levels of personalisation whilst maximising finite budget and human resource.

Moreover, ABM promotes a return to engaging the customer holistically by focusing on the buying centre concept (Tanner Jr., 2021), with unified sales-marketing teams generating up to 208% more in revenue (Marketo, 2016 cited in Johnson, Matthes, and Friend, 2019). However, a key question remains: What are the strategic dimensions of an ABM strategy?

The academic literature provides no answer yet. Therefore, the primary aim of this paper is to contribute to existing B2B marketing and sales research by developing a theoretically-informed, conceptual model of ABM, by means of reviewing and integrating literature from the domains of practice and academia.

In the next section, we explore these strategic dimensions in more detail, including the need to fully integrate sales and marketing teams when selecting target accounts; a renewed emphasis on targeting buying centres by tailoring the seller's offering to the account's unique challenges; and the increasing use of automation to enable targeting and personalisation at scale.

2. Conceptualising Account-Based Marketing

To date, ABM has been shaped by the work of several consultants, associations, and IT businesses, including the ITSMA (2017), Burgess and Munn (2017), Terminus (2020), and Sangram and Spett (2019). Although the topic has emerged on the radar of several academics (see Rangarajan *et al*., 2019; Tanner Jr., 2021; Lautenschlager and Tzempelikos, 2021, etc.), no academic study has explored the strategy in detail or synthesised the existing findings to date. Therefore, the following section presents a synthesised conceptualisation of ABM, with a view to providing readers with insight into several of its strategic dimensions.

2.1. A Cross-Functional Approach to Identifying Target Accounts

ABM is a business growth initiative (Burgess, 2020), designed to identify undetected needs in target accounts and convert them into viable business opportunities (De Bondt, 2021). To enable this strategy, a cross-functional team comprised of sales and marketing personnel (Tanner Jr., 2021; Johnson, Matthes, and Friend, 2019; Homburg, Workman, and Jensen, 2002), hereon referred to as the sales-marketing interface (SMI) (Malshe, 2009), must be assembled and championed by top management, with a goal of becoming an indispensable partner to their target accounts.

Management must also be willing to commit appropriate resources (e.g., personnel, IT, budget, etc.) to orchestrate the strategy effectively (Napolitano, 1997), affirming its importance as a major strategic orientation of the firm (Pardo, 1999; Storbacka, 2021).

A common facilitator in ABM is the need to create a shared database where pooled intelligence (Johnson, Matthes, and Friend, 2019) can be stored. Once this stronghold of knowledge is established, the effective use of modern IT systems can enable the SMI to create insight-driven campaigns that can help to drastically improve lead management efficiency (Järvinen and Taiminen, 2016). Thus, moving the selling organisation away from a sales mindset and more towards becoming a trusted solutions provider (Johnson, Matthes, and Friend, 2019). Moreover, the alignment of sales and marketing in ABM is critical for B2B firms who are looking to better meet the requirements of buyers (Järvinen and Taiminen, 2016), whilst the cross-divisional nature of ABM can further help to eliminate silo mentality (De Bondt, 2021).

2.2. Constructing a Value Proposition Using Data-Driven Intelligence

Anecdotal evidence suggests that buyers are increasingly bypassing salespeople as the first point of call, and instead, are looking to digital sources to initiate the sales cycle themselves (Adamson, Dixon, and Toman, 2012). In response to this transition, selling firms will require individuals who have a full grasp of digital technologies, which salespeople sometimes lack. Furthermore, salespeople have long needed a boost in research power (Marcos *et al*., 2018; Malshe *et al*., 2011), considering KAM typically lacks a dedicated marketing element (Burgess and Munn, 2017). However, this is where ABM comes into full effect, partnering smart marketers with multifaceted skill sets, including creative thinking, technical knowledge, and research capabilities, to partner and support senior salespeople in identifying and engaging prospective targets.

With the right people in place, the SMI can look to gather market intelligence more effectively (Lane and Piercy, 2004), evolving their employer into a learning organisation (Guesalaga et al., 2018), which is becoming an increasingly important foundation for strategic decision making and marketing planning (Piercy and Lane, 2005). However, it should be noted that finding talented individuals with this repertoire of skills is another challenge in and of itself (Burgess and Munn, 2017).

2.3. Engaging Customers Holistically by Focusing on the Buying Centre

B2B sales cycles have always been complicated, multi-faceted affairs (Singh *et al*., 2019; Ramos and Young, 2009) and there are now more decision-makers that sit within them than ever before (Cespedes, Galeota, and Wong, 2016). This realisation, coupled with senior executives' ease of access in capturing readily available digital information (Holliman and Rowley, 2014), creates a perfect storm for selling organisations, who now need to be more creative than ever in how they choose to influence senior executives.

To engage the buying centre, the SMI will need to construct a fully customised value proposition, complete with an elevated level of insight regarding the target account’s business challenges and the markets in which they operate (Guesalaga *et al*., 2018). Moreover, decision-makers may no longer see the value in consistent, face-to-face interaction before they choose whom they are going to partner with (Storbacka and Moser, 2020), paving the way towards a digital first future. Therefore, the SMI will need to use tools, such as LinkedIn or the support of third-party research agencies (Järvinen and Taiminen, 2016; Tanner Jr., 2021), to build profiles of the executives they wish to target foremost.

This intelligence-driven approach (Lane and Piercy, 2004; Colletti and Tubridy, 1987) could lead to an investigation of where the target executives studied, what hobbies they partake in, and their wider relationship networks (Burgess, 2020), helping the SMI to build personas that reveal the best ways to engage these influencers. Research shows that executives are keen on seeing case studies, hearing best practice examples, and partaking in innovation workshops, which allow them to explore and map how modern technologies, services, and business models can help them to solve their challenges (Burgess, 2020). It is also worth noting that whilst executives in current senior roles built their networks in more traditional settings, those who are part of the emerging, millennial management workforce tend to rely more on social networks and peers that they may have never met in person (Burgess, 2020). Therefore, technology, and how it is deployed, will be more important than ever in engaging both the decision-makers of today and tomorrow.

2.4. Intensive Use of Customer-Centric Technology

Information technology now enables large corporations to be just as effective in building one-to-one relationships with key customers as small proprietors. Advances in cloud computing, CRM systems, and omnichannel communications, have enabled the realisation of personalisation at scale (Tanner Jr., 2021). ABM takes this concept one step further, as it enables SMIs to scale their level of marketing depending on the value of the account. This moves beyond standard segmentation, as the strategy relies on digital technologies to automate the process at scale (Rangarajan *et al*., 2021).

In the practitioner literature, three tiers of ABM have been identified, including Strategic ABM (one-to-one), ABM Lite (one-to-few), and Programmatic ABM (one-to-many) (ITSMA cited in Burgess and Munn, 2017). The one-to-one approach, most like KAM, is a high-cost method that sees the SMI use innovation workshops, private events, and account-specific thought leadership to engage strategic accounts. The return on investment (ROI) at the strategic level of ABM is not only quantified by a higher share of wallet but also, in the creation of a sustainable competitive advantage that is hard for competitors to imitate or break (Barrett, 1986).

The one-to-few approach sees the SMI group clustered accounts within industry verticals (e.g., logistics or supermarkets), targeting them with automated content (Paschen *et al*., 2019), such as smart and re-usable sales collateral and challenger reports to identify cost-saving initiatives (Burgess and Munn, 2017). Lastly, the one-to-many approach uses marketing automation to enable sales tactics at scale, without losing personalisation. This approach uses email workflows, digital advertising through targeted PPC campaigns (Rangarajan *et al*., 2021), and reverse IP lookup, to track and lead executives to the selling team's website (Rangarajan *et al*., 2019). Thus, making the most of digital engagement to hook and inform prospective buyers.

2.5. Design of Customer-Oriented Metrics

The accurate measurement of an ABM strategy is not always the easiest of tasks. Not only do realistic timelines have to be set by senior managers but selling teams also have to be creative and introspective regarding how they communicate their successes.

A common system for measuring ABM is the “3Rs”, defined by Burgess and Munn (2017) as relationships, reputation, and revenue. Some hard measurement parameters include pipeline growth and total revenue growth tied to ABM, whilst some softer parameters include the number of new contacts generated and the quality of new relationships within the account (Burgess and Munn, 2017). To co-ordinate these measures, live dashboards and scorecard systems can be utilised and monitored closely, so that corrective action can be taken to manage, solve, and calibrate any issues that may arise (Sharma, 2006).

Technology can also be used to assist the selling team in monitoring the health of key prospects, whilst salesforce automation can further help to increase efficiency, reduce costs, and maximise revenue (Rodriguez *et al*., 2020). The intelligence that feeds into these platforms will originate from various sources, including customer databases, the Internet, client feedback, and live field intelligence developed by salespeople (Keszey and Biemans, 2017). Best practice enterprise companies may have an upper hand regarding implementing ABM, as they can use existing IT infrastructure to facilitate customer profitability measures to accurately attribute costs to customers using activity-based costing (Ryals, 2006).

2.6. A Conceptual Model of Account-Based Marketing

This paper has analysed various entries in both the academic and practitioner literatures, identifying several strategic dimensions that are key to the implementation of ABM. The resultant findings have also been synthesised into a conceptual model (see *Fig.1.*), that showcases a five-step process to implementing ABM, including resource requirements and personnel (see below).

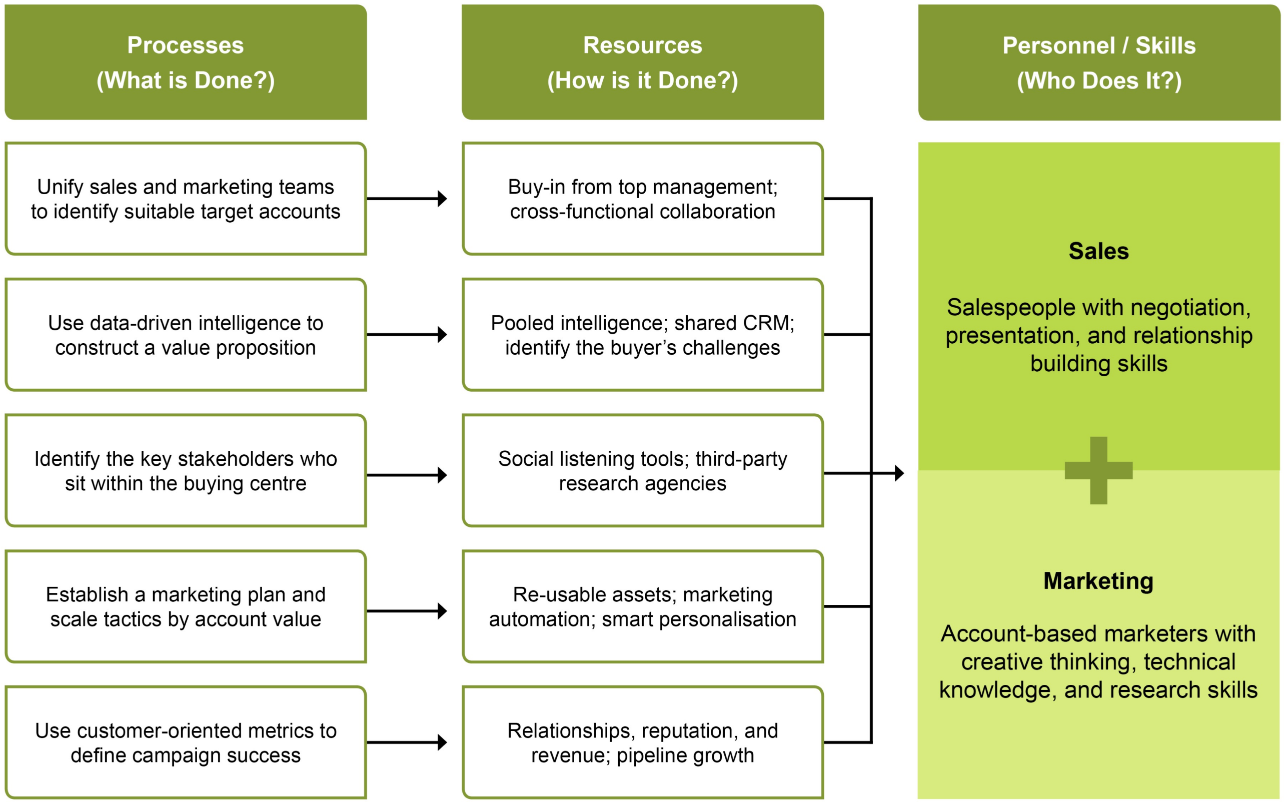

Fig. 1. A conceptual model of account-based marketing

3. Discussion

In a strategic capacity, early findings suggest that ABM may have the capability to unify sales and marketing teams, thus, redefining SMI setups as we know them. The specific enablers and barriers to this process are currently unknown. However, prior literature indicates that support from top management (Storbacka, 2012; Napolitano, 1997), pooled intelligence (Johnson, Matthes, and Friend, 2019), and shared reward structures (Le Muenier-Fitzhugh, Massey, and Piercy, 2011), all play their part in enabling cross-functional collaboration, an essential aspect of ABM.

ABM also disrupts pre-existing paradigms, breathing new life into concepts, such as the buying centre concept (Tanner Jr., 2021), and how sales and marketing teams can work together (Johnson, Matthes, and Friend, 2019) to customise their value propositions to uniquely meet the challenges of their target accounts (Burgess and Munn, 2017).

This new team structure, however, requires varied technologies and skillsets to implement successfully, the latter being increasingly hard to come by in an era where talent itself is a rare resource (Wiersema, 2013).

Lastly, a unique aspect of ABM is that the strategy can be scaled, with accounts clustered into multiple levels of targeting (Burgess and Munn, 2017). A one-to-one approach, which is typically reserved for high-value accounts, is more strategic in nature, requiring significant resources to secure account share (McDonald, Millman, and Rogers, 1997). Whereas a one-to-many approach, enabled through marketing automation, can help selling teams to target a wider base of accounts, maximising finite resources and budget whilst retaining personalisation (Storbacka and Moser, 2020; Tanner Jr., 2021; Rangarajan *et al*., 2021).

4. Conclusion

The adoption and implementation of ABM has progressed significantly in practice over the last several years. Whilst academia currently lags, there now lies an opportunity to actively research and develop theory in an exciting area of B2B marketing, building on the conceptual foundations presented in this paper.

As Tanner Jr. (2021) states in his recent paper on the state of B2B marketing research, there are several clear opportunities for ground-breaking research here, notwithstanding how modern technology can enable strategic plays such as ABM. Moreover, as Lautenschläger and Tzempelikos (2021) posit: how will ABM impact existing B2B strategic functions, such as key account management (KAM) practice? The answer currently remains unknown.

Moreover, this paper opens paths for several research directions: for example, how do practitioners define ABM as a concept? What are the enablers and barriers to implementing an ABM strategy? Is ABM enterprise exclusive, or will SMEs be able to capitalise on the strategy, too? And is ABM configured differently across companies or does one size fit all? These answers remain hidden for the time being. Nonetheless, the stage is now set for an exciting and enriched period of research that could push B2B marketing strategy into a new era.

5. References

Adamson, B., Dixon, M. and Toman, N. (2012), ‘The end of solution sales’, *Harvard Business Review*. Available at: https://hbr.org/2012/07/the-end-of-solution-sales (Accessed: 31 January 2022).

Barrett, J. (1986) ‘Why major account selling works’, *Industrial Marketing Management* 15(1), pp.63-73.

Burgess, B. and Munn, D. (2017) *A Practitioner's Guide to Account-Based Marketing: Accelerating Growth in Strategic Accounts*. 1st edn. Kogan Page: London.

Burgess, B. (2020) *Executive Engagement Strategies*. 1st edn. Kogan Page: London.

Cespedes, F.V., Galeota, J. and Wong, M. (2016) ’Sales people need a strategy for selling to CEOs’, *Harvard Business Review*. Available at: https://hbr.org/2016/10/salespeopleneed-a-strategy-for-selling-to-ceos (Accessed: 1 February 2022).

Colleti, J.A. and Tubredi, G.S. (1987) 'Effective Major Account Sales Management', *Journal of Personal Selling & Sales Management*, pp.1-10.

De Bondt, K. (2021) Return on Ideas & Relationships. Available at: https://www.linkedin.com/pulse/return-ideas-relationships-kathleen-de-bondt/?trackingId=tSldjr4BsjdDMJkENvn8Qw%3D%3D (Accessed: 31 January 2022).

Forrester Consulting (2021) *The Total Economic Impact™ Of The Terminus Account-Based Marketing Solution*. Available at: https://library.terminus.com/ebooks/the-total-economic-impact-of-terminus-abm (Accessed: 1 February 2022).

Guesalaga, R., Gabrielsson, M., Rogers, B., Ryals, L., and Marcos-Cuevas, J. (2018) ‘Which resources and capabilities underpin strategic key account management?’, *Industrial Marketing Management*, 75, pp.160-172.

Holliman, G., and Rowley, J. (2014) ‘Business to business digital content marketing: marketers’ perceptions of best practice’, *Journal of Research in Interactive Marketing*, 8(9), pp.269-293.

Homburg, C., Workman, J.P., and Jensen, O. (2002) ‘A configurational perspective on key account management’, *Journal of Marketing*, 66(2), pp.38-60.

Järvinen, J. and Taiminen, H. (2016) 'Harnessing marketing automation for B2B content marketing', *Industrial Marketing Management*, 54, pp.164-175.

Johnson, J.S., Matthes, J.M., and Friend, S.B. (2019) 'Interfacing and customer-facing: Sales and marketing selling centers', *Industrial Marketing Management*, 77, pp.41-56.

Keszey, T. and Biemans, W. (2017) 'Trust in marketing’s use of information from sales: the moderating role of power', *Journal of Business & Industrial Marketing*, 32(2), pp.258-273.

Lane, N. and Piercy, N. (2004) ‘Strategic Customer Management: Designing a Profitable Future for Your Sales Organization’, *European Management Journal*, 2(6), pp.659-688.

Lautenschlager, C. and Tzempelikos, N. (2021) 'Innovation in Key Account Management: Identification of Research Trends and Knowledge Gaps', *Journal of Business-to-Business Marketing*, 28(2), pp.149-167.

Le Meunier-Fitzhugh, K., Massey, G.R., and Piercy, N.F. (2011) ‘The impact of aligned rewards and senior manager attitudes on conflict and collaboration between sales and marketing’, *Industrial Marketing Management*, 40(7), pp.1161-1171.

Malshe, A. (2009) 'Strategic sales organizations: transformation challenges and facilitators within the sales–marketing interface', *Journal of Strategic Marketing*, 17(3-4), pp.271-289.

Malshe, A., Friend, S.B., Al-Khatib, J., Al-Habib, M.I., and Al-Torkistani, H.M. (2011) ‘Strategic and operational alignment of sales-marketing interfaces: Dual paths within an SME configuration’, *Industrial Marketing Management*, 66, pp.145-158.

McDonald, M., Millman, T., and Rogers, B. (1997) ‘Key account management: Theory, practice and challenges’, *Journal of Marketing Management*, 13(8), pp.737-757.

Napolitano, L. (1997) 'Customer-Supplier Partnering: A Strategy Whose Time Has Come’, *Journal of Personal Selling & Sales Management*, 17(4), pp.1-8.

Pardo, C. (1999) 'Key account management in the business-to-business field: a French overview', *Journal of Business and Industrial Marketing*, 14(4), pp.276-290.

Ramos, L. and Young, G.O. (2009) ‘*The Social Technographics of Business Buyers’*, Forrester Research.

Rangarajan, D., Sharma, A., Lyngdoh, T., and Paesbrugghe, B. (2021) 'Business-to-business selling in the post-COVID-19 era: Developing an adaptive sales force', *Business Horizons*, Article in Press.

Rodriguez, R., Sevensson, G., and Mehl, E.J. (2020) ‘Digitalization process of complex B2B sales processes – Enablers and obstacles’, *Technology in Society*.

Ryals, L. (2006) Profitable relationships with key customers: how suppliers manage pricing and customer risk', *Journal of Strategic Marketing*, 14, pp.101-113.
Sangram, V. and Spett, E. (2019) *ABM is B2B: Why B2B Marketing and Sales is Broken and How to Fix It*. Ideapress Publishing: United States.

Sharma, A. (2006) ‘Success factors in key accounts’, *Journal of Business & Industrial Marketing*, 21(3), pp.141-150.

Singh, J., Flaherty, K., Sohi, R.S., Deeter-Schmelz, D., Habel, J., Le Meunier-FitzHugh, K., Malshe, A., Mullins, R. and Onyemah, V. (2019), ‘Sales profession and professionals in the age of digitization and artificial intelligence technologies: concepts, priorities, and questions’, *Journal of Personal Selling & Sales Management*, 39(1), pp. 2-22.

Storbacka, K. (2012) 'Strategic account management programs: alignment of design elements and management practices', *Journal of Business & Industrial Marketing*, 27(4), pp.259-274.

Storbacka, K. and Moser, T. (2020) 'The changing role of marketing: transformed propositions, processes and partnerships', *AMS Review*, 10, pp.299-310.

Tanner, Jr. (2021) ‘The state of business to business marketing research’, *Journal of Marketing Theory and Practice*, 29(1), pp.92-100.

Terminus (2020) *Blueprint to Account-Based Marketing*. Available at: https://library.terminus.com/ebooks/blueprint-to-account-based-marketing (Accessed: 31 January 2022).

Wiersema, F. (2013) ‘The B2B agenda: The current state of B2B marketing and a look ahead’, *Industrial Marketing Management*, 42, pp.470-488.

The anatomy of account-based marketing - a conceptualisation of strategic dimensions

Mullen, Adam

2022-06-11

Mullen A, Marcos-Cuevas J, Theoharakis V. (2022) The anatomy of account-based marketing - a conceptualisation of strategic dimensions. In: GSSI 2022; Creating Value for Customers and Companies in a Changing World, 8-11 June 2022, Frankfurt, Germany

https://www.ama.org/events/academic/2022-global-sales-science-institute-and-ama-sales-sig-conference/