



DEMANDBASE SHIFTS UP A GEAR TO TAKE ABM TO ABX WITH DEMANDBASE ONE

DEMANDBASE ONE ACCOUNT-BASED EXPERIENCE (ABX) PLATFORM – SOLVES THE ISSUES OF TIMING AND RELEVANCE THAT MAKE CLASSIC ABM APPROACHES SUB-OPTIMAL.



CX-Create

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The business context for account-based experience (ABX)

Key business drivers

In recent years account-based marketing (ABM) has gone mainstream in B2B enterprises as a more reliable contributor to growth than traditional marketing campaigns. There is abundant evidence to support its impact. The latest benchmarking survey from ITSMA and the ABM Leadership Alliance, published in November 2020, revealed that 76% of 168 B2B enterprises experienced higher returns than traditional ad hoc marketing campaigns.

The Covid-19 pandemic massively disrupted B2B selling, especially in high-value sales environments, typically reliant on face-to-face selling. Exhibitions and corporate events have also been decimated, placing a premium on digital marketing and selling capabilities.

However, the biggest issue is not so much reaching customers and prospects but orchestrating and sequencing marketing and sales activities in line with customer behaviors and the many individuals playing various roles along their buying journeys. Get it wrong, and potential opportunities will be missed, campaign budgets wasted, and the firm's reputation can be damaged.

ABX offers the promise to overcome this significant obstacle to successful ABM.

This report examines what is meant by ABX, championed by Demandbase, and takes a look under the covers of Demandbase One and the future of ABX.

CX-Create's view

ABX represents a more customer-centric approach to ABM that considers behavioral aspects. It purposefully considers not just the potential sales opportunities based on similarities to existing customers and likely 'fit' but also if and where the potential customer is on their buying journey. In this respect, it reflects the growing importance of customer journey insights in B2C settings. One significant difference is that in B2B environments, especially where high-value products or services are concerned, the purchase sponsor is only one member of a buyer group. Others are involved from engineering to finance, procurement, sales, IT, research, etc., playing different roles at each stage of the purchase. None of whom will be receptive to blanket advertising or irrelevant marketing efforts.

Timing and relevance are essential attributes for successful acquisition and retention activities. Getting this right consistently and systematically requires a customer-centric orientation. Deep insight into each customer's context, their reason for buying, and the problems they are trying to solve. It's a collaborative effort, at a minimum between marketing, sales, and finance, but potentially much broader.

Coordinating activities across multiple departments and teams depend on shared data, derived insights, and intelligent timing. Classic CRM applications may hold some of the data, primarily transactional, but rarely provide much insight. However, when integrated with an ABX platform that can detect external demand signals, the relevant activities can be coordinated and executed based on the customer's context. This includes where they are in their buying journey, which may span many months. Demandbase One meets these criteria.

Key Findings

- ABM, as it is often practiced, is inherently sub-optimal
- Demandbase provides a complete ABX platform
- Latest acquisitions will enhance Demandbase One

Guidance

Guidance for B2B Enterprises

ABX is more than a marketing makeover of ABM. The critical difference focuses on the relevance and timing of activities based on the customer's context and position along their buying journey. Demandbase was already a leader in the ABM field, but it has significantly enhanced its capabilities with the launch of Demandbase One and its latest acquisitions of InsideView and DemandMatrix. It should therefore be on the shortlist of potential ABM/ABX vendors.

Companies should look at ABM or ABX strategically and develop a customer engagement strategy and roadmap for implementation and deployment. Once the foundations are in place, consider extending the scope to include post-sales support activities, including customer service.

As with all strategic investments, companies should perform their due diligence and consider their options in the light of their business model and industry to find the best fit.

Guidance for Demandbase

The ABX direction, development of Demandbase One, and recent acquisitions have significantly enhanced the vendor's capabilities. Consider broadening the remit to include customer service and support. Develop partnerships with vendors in that space and add more APIs to share data between the platform and their systems.

While Demandbase is particularly strong in IT technology markets, it can boost its appeal in other B2B markets by partnering or acquiring other industry-specific data providers.

Key Findings – the detail

ABM as it is often practised is inherently sub-optimal

While 76% of ABM practitioners report greater returns than traditional marketing tactics, success was not unqualified. 66% of this successful group reported only moderate comparative improvement. 67% were still at the early stages of ABM, either exploring or experimenting. ABM still has many issues to overcome.

- The emphasis in many companies has been on increasing reach supported by ABM technologies as a more sophisticated lead generator.
- The focus has been more on marketing campaigns than on a collaborative approach between marketing and sales account-by-account.

- Inadequate data means there has been little insight into the business context of individual 'target' organizations and buyer groups within them, resulting in lower than hoped-for returns.

Account and opportunity coverage is hard to optimize

One of the most significant issues and challenges faced by many B2B companies is coverage optimization. From a revenue perspective, organizations will have a pyramid of customers from a few large contributors and a descending but greater number of more minor contributors. The few largest may account for up to 80% of total revenue each year, and not surprisingly, soak up the lion's share of coverage resources. This simple Pareto analysis is, however, a blunt and unreliable instrument, but often the default.

The biggest spenders may have little room for growth. They may also have taken advantage of larger discounts, eroding profitability. Assigning costs accurately and proportionately requires auditable data that most companies do not collect. Instead, if done at all, profitability analysis relies on allocating average costs, inflating the profitability of resource-hungry accounts at the expense of the more frugal.

More scientific measures of customer worth vs. costs, potential lifetime value, and strategic value have proved too complicated for most firms to calculate. The upshot is that high growth opportunities are often overlooked as those lower current revenue performers are starved of coverage resources. This conservative approach to resource allocation means that understandably key accounts receive much more personal attention from sales while marketing is given the remit to focus on new customer acquisition.

As it is often practiced, ABM attempts to offset this lack of attention on high-potential accounts overlooked by key account teams. This leads to an emphasis on the marketing component of ABM and customer acquisition.

Stuck in the experimental phase

ITSMA and the ABM alliance have repeatedly found that deriving the benefits of growth, engagement depth, and reputation enhancement all come with time. Companies that have embraced ABM and practice one-to-one for key accounts, one-to-few for mid-sized or 'look-alikes,' and programmatic marketing for everyone else. They didn't start with a big bang but built up confidence over time.

So why are 67% still stuck at the ABM early stages?

The answer is probably a mix of conservatism and reluctance to risk failure or take the time to learn from the experience without near-term proof of ABM investment returns. Another reason is the failure to develop a unified platform environment which means data is often fragmented across multiple departmental systems. A holistic view of each account and buyer group constituents is essential for communications relevance and timing throughout the buying journey.

Buyers are ahead of the game

Figure 1 illustrates three typical B2B buying scenarios outlining their business impact, risk profile, and the likely size of the buyer group involved:

- A high-stakes strategic asset buy carries the highest risk and, on the upside, a potentially transformative impact on the business.
- A consumable or commodity buy, typically low impact/low risk – small buyer group or even just an individual.
- A medium impact buy, perhaps an upgrade or extension typically from the supplier of the original product being upgraded.

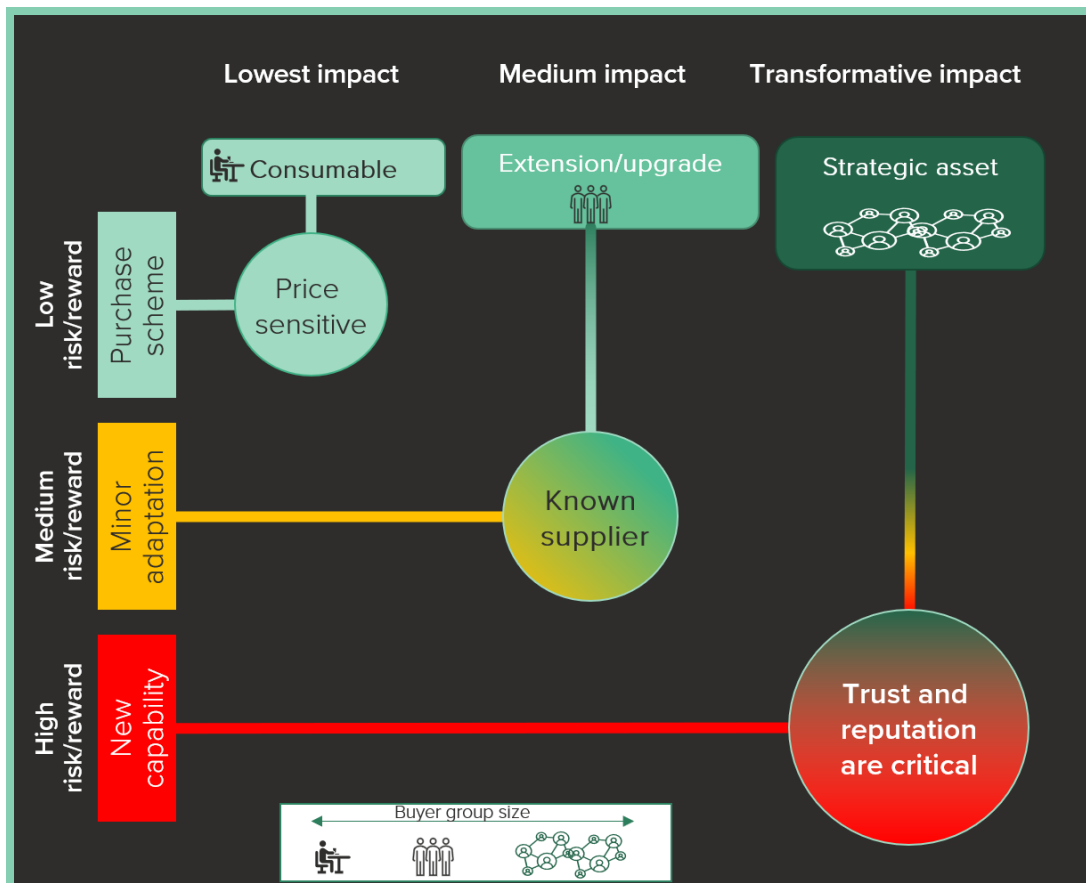


FIGURE 1: IMPORTANCE OF TRUST AS RISK/IMPACT INCREASES - SOURCE: CX-CREATE

Strategic asset buy

Significant investments in B2B products or services carry a degree of uncertainty and risk. The more potentially transformative, the higher the risk.

Decisions are made after considerable research, and due diligence is undertaken long before potential suppliers are contacted or even aware of the possible opportunity. By the time the opportunity comes to light, decisions may already have been made in principle, making it harder for a supplier to influence the decision in their favor. The best they can hope for is that their reputation for tackling similar challenges presents them in a positive light. Trust and reputation, including the associated expertise, are critical in these high-risk/high reward scenarios. Buyer groups may include a wide range of domain experts from product engineering to finance, technology, and representatives from the C-suite. Their roles and responsibilities may also change depending on where the group is in their buying journey.

Buyer journey demand signals must be captured = ABX

If ABM activities have been successful, then key members of the buyer group will already be aware of the reputation and credentials of the potential supplier. However, that depends on having the right data and insight into what shapes the demand for the strategic asset. It also depends on orchestrating communications at the right time and of the right type, predisposing the buyer group members towards the supplier.

Critical data may be available in key accounts but is rarely available outside this well-known customer segment unless external sources across the web are routinely monitored for demand signals to enrich the account profiles.

ABX, on the other hand, considers the entire buying journey, capturing the early demand signals and orchestrating relevant communications to enhance the potential supplier's reputation.

Consumable buy

Conversely, consumable or commodity purchases carry little risk other than potential quality issues if the lowest price is always the leading criterion. While a procurement team may negotiate with several suppliers for consumables, once a scheme has been set up, repeat purchases may only involve a single departmental buyer, such as an employee acquiring a new mobile phone or laptop.

Extension/upgrade

An upgrade or product extension may augment existing capabilities. In many cases, the vendor of the original asset will be the preferred supplier. The buyer group is likely to be small, involving the asset owner/manager and possibly one or two others, including finance.

In many cases, this represents a medium risk with a medium business impact. The best that other suppliers can hope for is a significant change of circumstances that create replacement opportunities. This could be a change in a business model or a new regulatory environment that makes an opening for a new supplier better able to meet the new challenge.

These examples illustrate the potential complexity in nurturing B2B relationships. However, most ABM programs are too narrow.

The back end of the customer's journey is overlooked by ABM

The clue is in the acronym – ABM.

For years, the author has argued that while close collaboration between marketing and sales is essential for successful ABM programs, the challenge to nurture and serve B2B customers extends beyond these two departments. Customer service and support is an obvious example. If inappropriate marketing communications cannot be suppressed during a complicated support issue, the firm's reputation may suffer. The customer journey does not stop at the point of purchase. A unified platform environment must include integration with customer service so that the account team personnel have a complete picture of their customer.

Account-based experience (ABX) implies this more holistic view of the customer. It recognizes the importance of the complete cycle from discovering a need, searching for solutions, the purchase decision, implementation, use, and any subsequent support. As we will see Demandbase One ABX platform has the potential to support the entire customer lifecycle.

Demandbase One provides a complete ABX platform

After several years of collaborating in joint accounts, Demandbase acquired Engagio in June 2020. Engagio's CEO Jon Miller joined Demandbase as its chief product officer and, alongside CEO Gabriel Rogol, is responsible for developing Demandbase One. Miller co-founded the marketing automation platform Marketo, acquired by Adobe, so he has a solid track record in B2B marketing and its role in ABM.

A new vision and a new platform

The early fruits of this acquisition have been a new vision – ABX. Their current definition of ABX is: *A go-to-market strategy that uses data and insights to orchestrate relevant trusted Marketing and Sales actions throughout the B2B customer lifecycle*

This marks a shift from classic ABM as the new vision explicitly emphasizes the critical importance of three attributes that guide the development of Demandbase One ABX platform:

- Data that fuels insight
- AI-assisted orchestration of relevant marketing and sales outputs
- Orientation around the B2B customer lifecycle

The vision's focus is still explicitly linked to marketing and sales, but the platform's architecture outlined in figure 2 lends itself to a broader view of ABX (discussed next), encompassing all B2B engagements, including post-sales account interactions. There is nothing to stop Demandbase One from ingesting vital customer support data to provide a complete view of existing customers with API connectors. Such service data could be used to suppress untimely campaigns if the customer has an issue that must first be resolved.

The rapid development of Demandbase One signals ABX intent

The years of collaboration between Demandbase and Engagio have led to the astonishingly rapid development of the new Demandbase One ABX platform, launched in November 2020. While the initial focus is to support collaboration between marketing and sales, the platform has the potential to add more expansive value, for the enterprise and its customers, as a foundation for holistic account-based experience.

Demandbase One provides a foundation for holistic ABX

Figure 2 outlines the main components of the platform. A high proportion of existing clients have already migrated to the new platform. A testimony to the value they see in a unified platform to enhance their customer engagement capabilities.

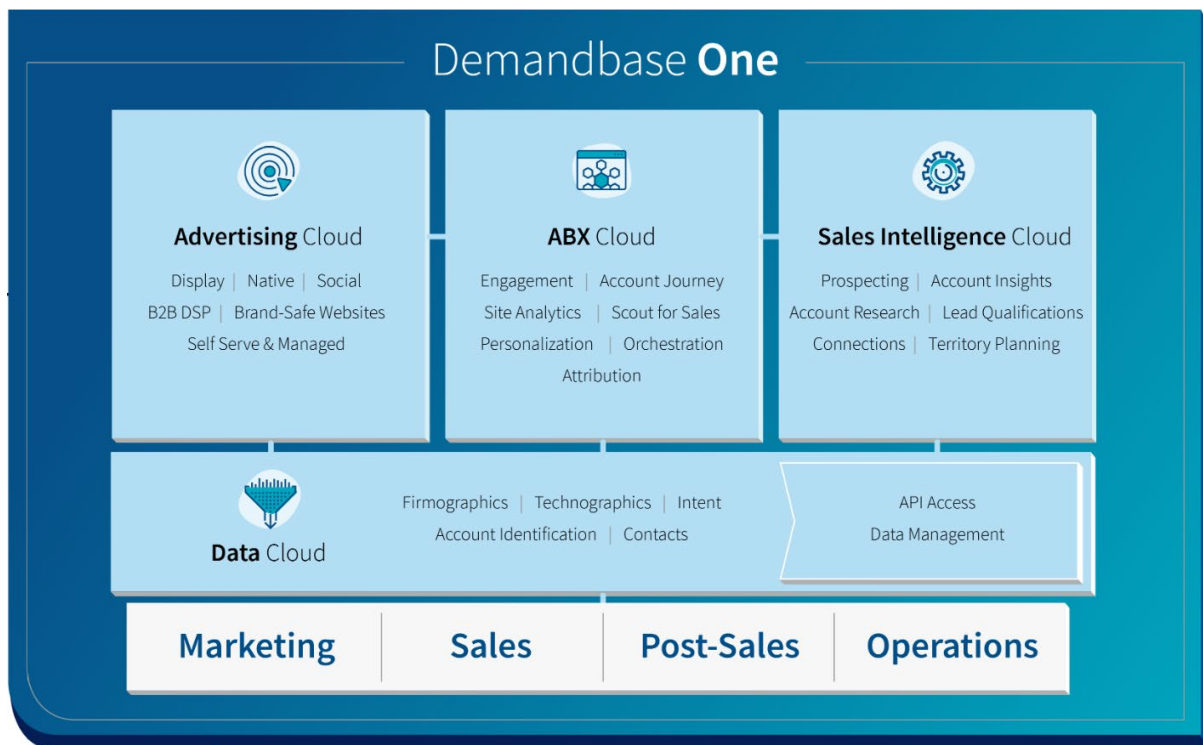


FIGURE 2: DEMANDBASE ONE ABX PLATFORM - SOURCE: DEMANDBASE

The new platform consists of four clouds:

- Demandbase's purpose-built B2B demand-side platform (DSP) Advertising Cloud, enabling programmatic advertising.
- ABX Cloud for account-journey-based marketing and sales activities.
- Sales Intelligence Cloud provides AI-assisted insights based on a synthesis of external demand signals and existing first-party data.
- Data Cloud, the B2B customer data platform (CDP) provides the holistic view of each customer account, ingesting and pushing data between CRM, finance, and operational systems.

Big data and AI capabilities drive activity orchestration

The big data and AI capabilities align around the mnemonic: FIRE.

- **Fit** – identifying look-alike businesses that exhibit similar characteristics to existing customers
- **Intent** – potential or even existing customers whose behavioral patterns signal an intention to buy or interest in competitor websites or invitations to webinars, for example.
- **Relationship** – providing information on existing relationships, including depth and who might have had interactions with the account or buyer group.
- **Engagement levels** – time spent with the company or with contacts within specific buyer groups.

Data Cloud contains the firmographic, technographic, intent, account IDs, and contacts. Based on this information, machine learning (ML) algorithms determine the propensity to buy and generate triggers and recommendations to drive timely and relevant actions.

Buyer journey stages drive activity orchestration

Demandbase One includes customizable buyer journey stages to improve orchestration of activities to recommend the most relevant marketing or sales actions. This also allows the organization to quantify opportunities at different stages, monitor progress, and make more reliable revenue predictions.

API connectors enable rapid integration with other systems

Demandbase provides a growing library of APIs to integrate with third-party CRM, marketing automation, finance, and operational systems. It, therefore, has the potential to expand its vision of ABX to include post-sales customer service systems, providing a platform for a very broad-based and holistic ABX capability.

Rapid implementation supported by ABX training and guidance

As one of the original ABM pioneers, Demandbase has developed an extensive portfolio of training, templates, and guidance for rapid deployment of the platform and generate early wins. This is, however, a competitive field, and Demandbase continues to invest in the development of the platform and, most recently, through two notable acquisitions.

Latest acquisitions will enhance Demandbase One

On May 4, 2021, Demandbase made two data-related acquisitions to strengthen its B2B data credentials:

- InsideView – a market leader in sales and market intelligence
- DemandMatrix – a leading company in technographic data provision

InsideView sources up-to-date data from over 20M B2B accounts

InsideView provides a valuable source of up-to-date account data from over 20M companies worldwide from over 40,000 sources. It also provides the tools to clean existing first-party data to remove a significant barrier to ABM success. Data provided includes financials, employee counts, market segments, industries, location, news, and corporate hierarchy information. AI is used to triangulate and validate data. It also captures intent signals and topics of interest based on website visits, company news, and other external sources. This will enrich the Demandbase One CDP and provide deeper insights to enhance orchestration capabilities.

DemandMatrix technographic data enhancing intent signals

DemandMatrix provides detailed technographic data that provides a strong signal of intent. This will appeal primarily to vendors of enterprise applications and technologies.

Technographic data includes:

- Existing install base
- IT spend
- Revenue potential
- Planned technology purchase
- IT skills
- ISVs and SIs operating in the account.

The technographic data will enhance propensity models and help companies find the right opportunities and determine the most effective marketing activities.

Demandbase has moved rapidly to reinforce its leadership credentials in the ABM and now ABX space

Demandbase One has dramatically improved its platform in under a year since the acquisition of Engagio. Its visionary leadership team is now propelling it to lead in the emerging ABX arena. A sizeable proportion of existing customers has already transitioned to the new Demandbase One platform. The timely acquisitions of complementary data providers, InsideView and DemandMatrix, position the company to pull further ahead of its competitors.

It should now consider expanding the ABX remit and extend its ecosystem partnerships to vendors in the customer service space, some of which are among its customer base. As an ABM and, latterly, ABX pioneer, Demandbase has the credentials and momentum to make this happen.

Appendix

About CX-Create

Jeremy Cox founded [CX-Create Limited](#) in January 2021, a former principal analyst at Omdia (formerly Ovum) focused on customer engagement strategies and platforms. He has researched the ABM market over several years and written reports on the state of ABM, its future, and evaluations of ABM vendors.

He is recognized by major CX vendors, clients, and former colleagues as a leading thinker in customer experience and engagement. Formative experiences in the 1990s at IBM convinced him of the critical importance of understanding the business world from the outside-in. At IBM, he also led EMEA in developing new routes-to-market for the fledgling solutions businesses and IBM Global Services. As a member of a small global team, he developed a strategy to optimize account coverage and target higher growth opportunities.

These insights were put to practical use in his former roles as a principal CRM consultant at KPMG Consulting and as an independent consultant supporting public and private sector organizations.

CX-Create's mission is to help enterprises and the vendors that serve them remain relevant. The company's primary focus is to track and understand the constantly evolving customer experience world and share those insights with clients to inform their customer engagement strategies.

Further reading

[New value disciplines must be mastered for the digital age](#)

[Platforms are needed to eliminate silos](#)

[The Customer Engagement Platform – part 1: Beginnings](#)

[The Customer Engagement Platform – part 2: Anatomy](#)