The New Sales and Marketing Divide

It's not what you think.

2021 STATE OF ACCOUNT-BASED MARKETING REPORT

Research by Renegade, LLC
Commissioned by Conversica

There is little doubt among Sales and Marketing professionals that account-based marketing (ABM) is an essential weapon. However, execution is lagging. To delve further into the issue, Conversica commissioned an extensive survey of salespeople and marketers. According to the research, 87% of marketers and salespeople surveyed believe in ABM's ability to convert target accounts into active opportunities and, ultimately, generate more pipeline. Similarly, 86% of those surveyed believe it can help them close more deals. This isn't exactly news; 74% of ABM users have been using the approach for 3 or more years.

ABM appears to be at the center of a recent alignment between Sales and Marketing. Veterans of both job functions may recall a somewhat turbulent history in terms of collaboration between the two. Historically, complaints of Marketing providing poor leads or Sales failing to close on quality leads were ubiquitous in workplaces. Now, with effective ABM strategies in place, marketers and salespeople are pulling in the same direction but are unable to execute to their fullest potential.

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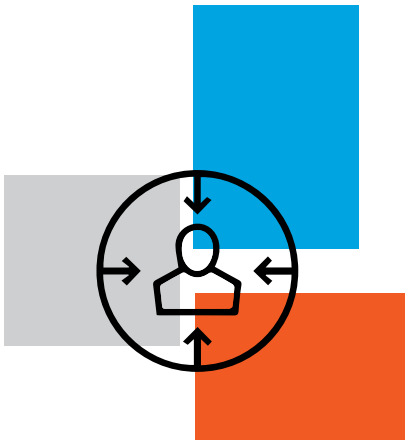


The Executional Gap

The core issue facing Sales and Marketing lies in data-based execution. Though intent data is abundantly available, Marketing and Sales are unable to capitalize on it. This is partially due to interpretation challenges, but is largely because these teams don't have the time or discipline to consistently use the data to improve outreach. Marketing is able to provide healthy amounts of intent data, but doesn't have the right tools to take on pre-qualification with personalized messages that drive response at the scale required. And Sales' limited manpower often leads to missed opportunities when accounts show signals of interest. Closing this gap between data collection and execution is the next big challenge for companies deploying ABM.

Where the problem lies

The key issue, and where the divide exists, is that, while ABM tools generate plenty of useful intent data, organizations are unable to use it effectively at scale, particularly in terms of personalized communications from both Sales and Marketing. ABM tools are not equipped to drive the actual engagement using this data. Personalized outreach still relies heavily on human effort. Sales representatives are asked to utilize the intent data, do their own account research, and be disciplined enough to consistently create meaningful and relevant emails, text messages, or web chats to each individual within the buyer group of the account. Not just for one account, but for each of their top accounts.

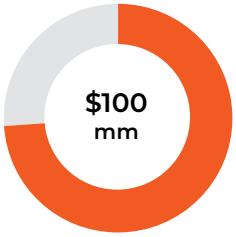
Relevant, timely, personalized outreach is much more likely to elicit a meaningful response from potential buyers, and that kind of high-quality engagement vastly improves the accuracy of buyer qualification. Handling personalization manually leaves the process vulnerable to human error, bias, and capacity issues—overburdened sales teams simply don't have the time to engage and influence buyer groups within target accounts. Consistency is a major issue: less than half of respondents say their salespeople include elements like useful information in the email body, relevant subject lines, or personalized messages informed by intent data in their email outreach. To bridge that divide, organizations have an opportunity to adopt new, innovative solutions, like Conversational AI, that can improve the utilization of intent data to personalize outreach at scale.

This report will break down the key findings from the survey, including Sales and Marketing's perceptions of each other, where the key points of friction are in the modern pipeline, and how legacy approaches drive inefficiencies. Given the recency of this problem—or the awareness of it—organizations are often unaware of how Conversational AI solutions provide support. The report also discusses where current solutions miss the mark and what Conversational AI can do to empower better personalization at scale.

The Study

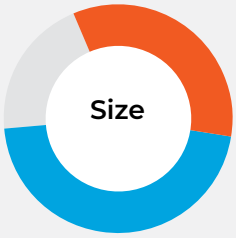
This research was conducted on behalf of Conversica by Renegade LLC.

Companies

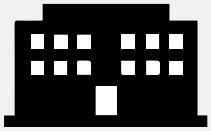


$100mm or more in annual revenue **74%**

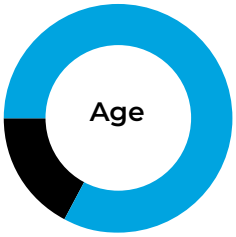
Retail/Wholesale **30%**
Financial services **11%**



10,000 or more employees **34%**
1,000 or more employees **80%**

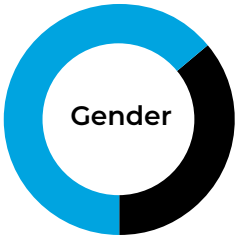


People



25-54 years old **83%**

Male **64%**

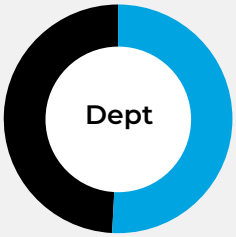


Female **36%**

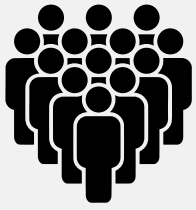
Manager **40%**

Director or higher **60%**

Sales **49%**



Marketing **51%**



There is strong consensus on ABM's efficacy

87%
believe in ABM's ability to convert more pipeline

86%
believe in ABM's ability to help close more deals

83%
believe in ABM's ability to deliver intent data that Sales can use

> **"The big opportunity for organizations isn't in rethinking strategy, but in optimizing ABM efforts by improving how personalization is deployed at scale."**

Sales and Marketing Consensus on ABM's Value

In brief, account-based marketing is the implementation of people, processes, and technology to engage a specified list of prospect accounts. ABM depends upon personalization to achieve optimal results, and that personalization requires considerable effort if done manually. While it is agreed that ABM is an effective approach, it relies on highly disciplined, sophisticated execution. The big opportunity for organizations isn't in rethinking strategy, but in optimizing ABM efforts by improving how personalization is deployed at scale.

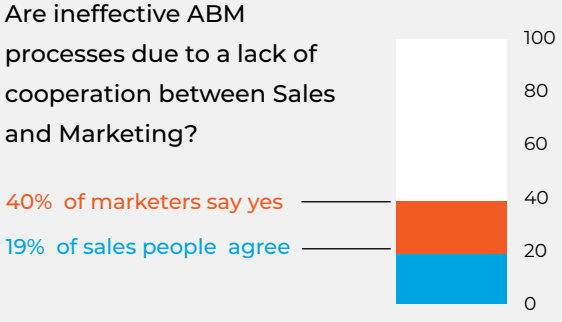
Most point to ABM's importance in turning accounts—which are target organizations or individuals that fit within your ideal customer profile (ICP) with some additional segmentation to determine the best fit—into active opportunities through tailored experiences that drive engagement. Still, most organizations would like to get their conversion numbers to a healthier place, and improving collaboration between Sales and Marketing, and personalization-related ABM processes is a prime place to start.

Fig. 1

Remnants of the old divide

Marketers are twice as likely to point to a lack of cooperation with Sales as the reason for ABM not operating at max effectiveness.

40% of marketers attribute ineffective ABM processes to a lack of cooperation between Sales and Marketing, whereas 19% of salespeople feel the same.



Despite some misalignment still existing between the two, both departments are in agreement that they are all working hard, and well, for the organization's greater good:

Sales and Marketing Are Pulling in the Same Direction

Fig. 2

The majority of respondents are both confident in ABM, and confident that everyone is working as hard as they can to get it right. Still, the responses to this survey indicate that ABM isn't working to its full potential. This signals that organizations don't need to work harder, but do need to work smarter.

The key element of ABM that often presents challenges is personalization, but there is consensus that personalization is absolutely necessary to engage buyers. Seventy-nine percent of respondents to the **2020 Gartner B2B Marketer Survey** say the best way to engage buyers is to deliver personally relevant communications. Regardless of industry or setting, it's clear that personalization is a must.

> *"Buyers today expect you to know who they are. If you were only handling one or two accounts at a time, it'd be pretty easy to personalize all your messaging. But when we're talking about Account-Based one-to-many or one-to-few approaches, everyone is dealing with multiple accounts that have many buyer groups, each in different stages of the buying journey. At that level, personalizing outreach manually becomes incredibly challenging. Solving the problem of personalized engagement at scale is a crucial nut to crack to not only get the most value out of an ABM strategy but also help enable the right C-level reporting to continuously improve."*
>
> **Jon Russo, CMO & Founder, B2BFusion.com**

The Big Challenge: Personalization Suffers at Scale

While there is complete consensus on the strategic value of ABM and personalization, this research reveals the execution is, in its present state, lacking. Personalization at scale is quite time-consuming if done without automation, and difficult to do well. Oftentimes, this is due to an inability to properly use intent data in each outreach touchpoint.

MarTech defines intent data as the recorded behaviors of prospects online that may indicate interest in topics your audience is researching or problems your solution may solve. The information can be captured via your own website or content, known as first-party, or by monitoring potential customers' activity through third-party intent data providers. This information creates a broad view of buyers' needs and is central to effective personalization.

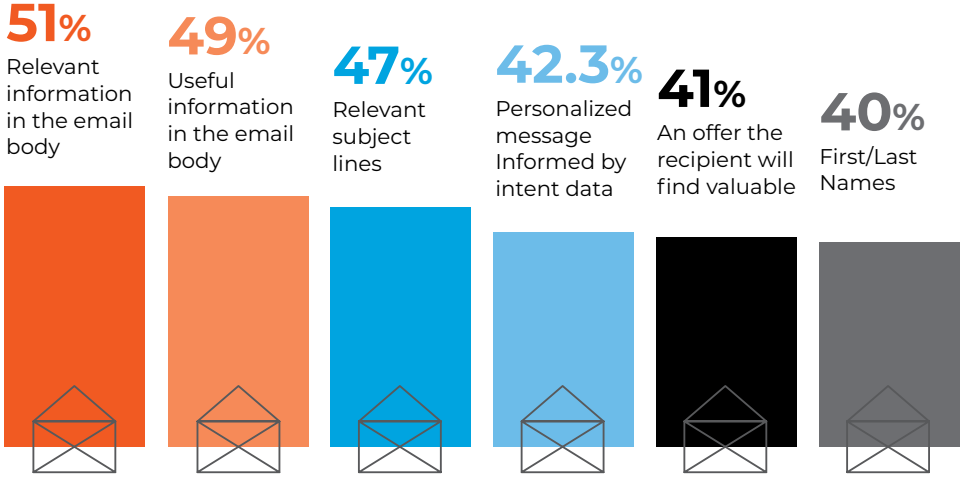
Coupling intent data with additional profile data (such as demographic, firmographic, personal information about the buyer), predictive scoring provided by ABM tools, and value-driven statements can create powerful outreach that is highly relevant to the buyer. But how consistently are salespeople using this data to personalize their outreach?

Survey responses indicate that there is room for improvement.

It is encouraging to see varied approaches to personalization, including intent data usage, but the lack of consistency is concerning. For maximum effectiveness, utilization of these elements needs to be much higher across the board.

Fig. 3

Which elements do your salespeople use in personalized email outreach?



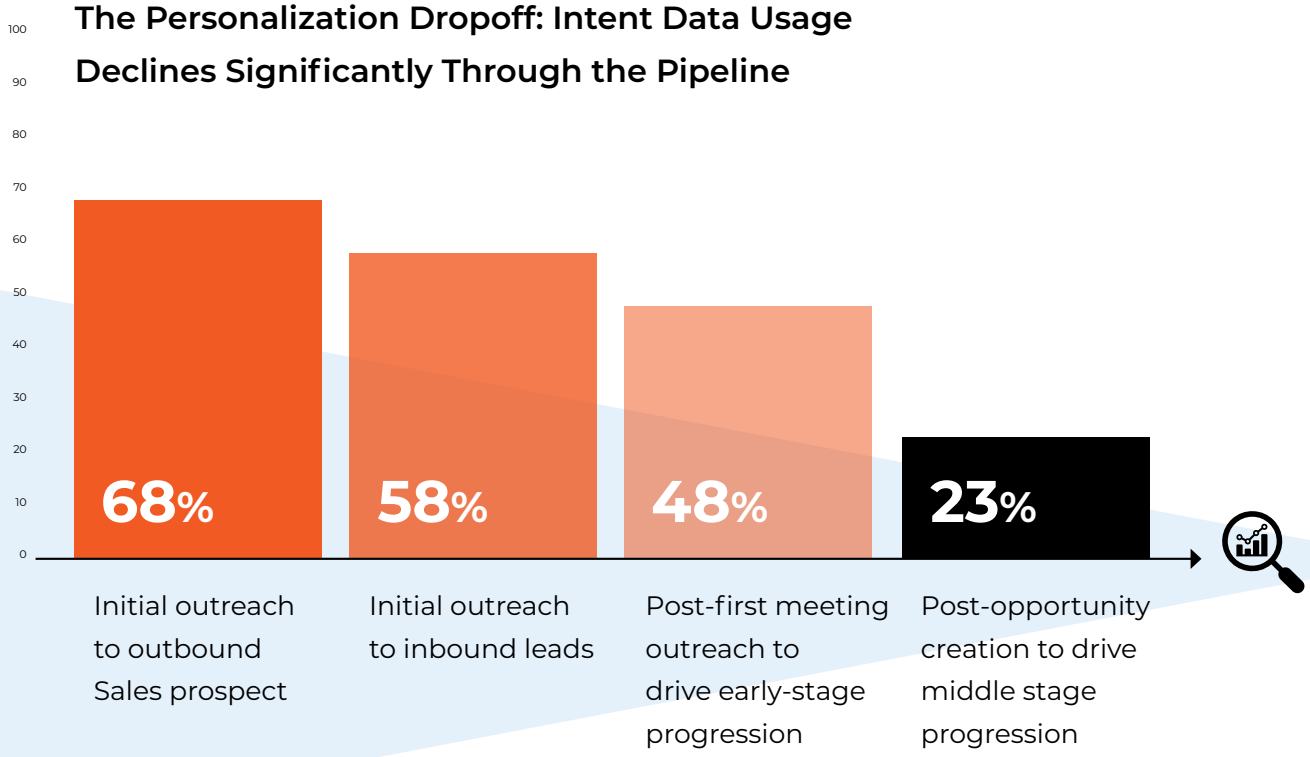
The Underuse of Intent Data for Personalization is Concerning

As prospects advance in the pipeline, the research shows a dramatic decrease in the use of intent data. During initial outreach to outbound prospects, 68% of salespeople use intent data to personalize communication. The use of intent data declines to 58% during initial outreach to inbound leads. We see a further dropoff to 48% at post-first meeting outreach.

Intent data is crucial for improving response to outreach and scheduling a first meeting in the pre-opportunity creation stage, but it's also valuable as buyers progress down the funnel. As the connection with the prospect is established, sales reps could also benefit from intent data to understand their buyer and build trust. This research represents significant and costly missed opportunities for ABM users. Improving the consistency of intent data usage throughout the pipeline could offer organizations a significant lift in key performance indicators.

Fig. 4

The Personalization Dropoff: Intent Data Usage Declines Significantly Through the Pipeline



Top Barriers to Sending Personalized Communications

1
Sales team's understanding of how to use intent data effectively

2
Sales manpower is inadequate

3
Marketing's ability to get the right data

Despite both departments being rightly bullish on the value of personalization, only 49% of salespeople and 43% of marketers say they use intent data to personalize prospect communications. Diving into the data more deeply reveals that only 38% of salespeople send personalized communications to top prospects on every touch.

Another concerning element: 41% of marketers believe their salespeople personalize each touch. Only 23% of salespeople think the same. This indicates both an issue with under-personalization, and with the two departments operating in silos, where they are unaware of each other's operational approaches.

So, why isn't the intent data being used, and why are so many opportunities to personalize being missed?

The Hurdles of Personalization

First, the sheer volume of the data is difficult to wrangle. 53% of all respondents believe that personalization of all communications isn't feasible, and 42% believe that sales teams are overwhelmed by the amount of data available on their ABM platforms.

The top 3 reported barriers to personalizing all communications were the Sales team's understanding of how to use intent data well, inadequate manpower on the Sales team, and Marketing's ability to get the right data.

Marketing is more likely to point to Sales' interpretation of intent data, and Sales is more likely to consider it a manpower issue. In reality, these two interpretations may be a result of the same issue: human inefficiency. An environment without innovative technology solutions makes it extremely difficult to process and interpret large amounts of data.

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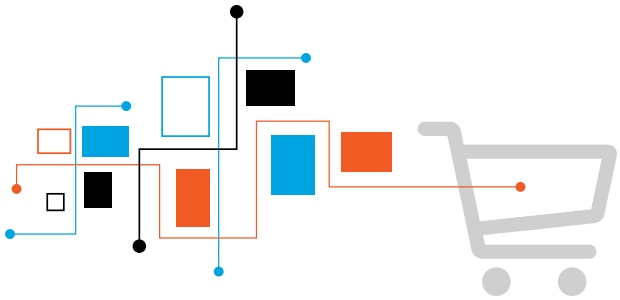


Fig. 5

What is preventing companies from using ABM as a whole to its maximum effectiveness? Of those surveyed:

37%
said insufficient experience

33%
said insufficient staff

30%
said lack of cooperation between Sales and Marketing

31%
said an inability to personalize at scale

29%
said lack of time to personalize touches

When asked about the challenges to ABM optimization, respondents pointed primarily to people-related issues. Additionally, three of those hurdles were directly related to capacity, or a lack thereof. Similarly, for employees unaided by the proper tools, researching prospects is simply too time-consuming.

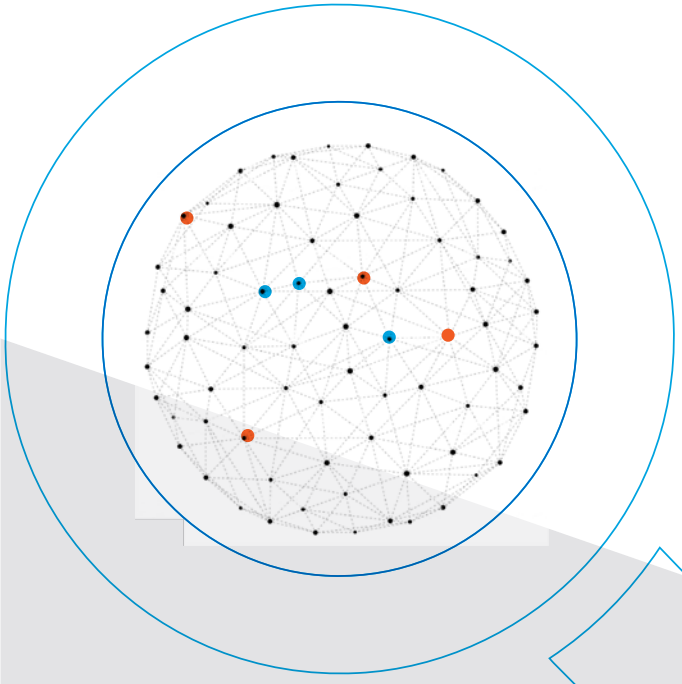
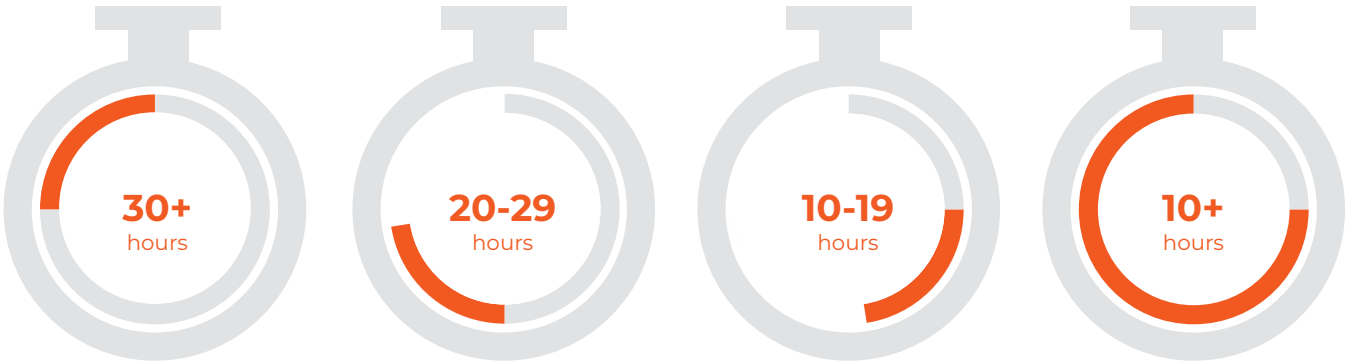


Fig. 6

Researching prospects is too time consuming



11%
of salespeople spend 30 hours or more weekly

25%
spend 20-29 hours a week

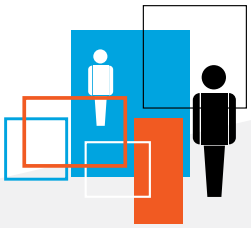
34%
spend 10-19 hours a week

70%
spend at least 10 hours a week.

The Cost of Manual Personalization is Far-Reaching

On average, each salesperson is spending 16 hours per week of their 35-hour workweek researching and creating personalized messages for prospects. If an organization employs 20 sales reps with total annual compensation of $100,000 including overhead, then the cost of manual personalization is $914,285. If the organization could reduce this time by just 20%, the savings would be $182,857 per year.

Also striking is how little intent data is used. The research revealed that intent data ranks 6th among research sources used by Sales and Marketing, and only 40% of respondents typically look at intent data when researching.

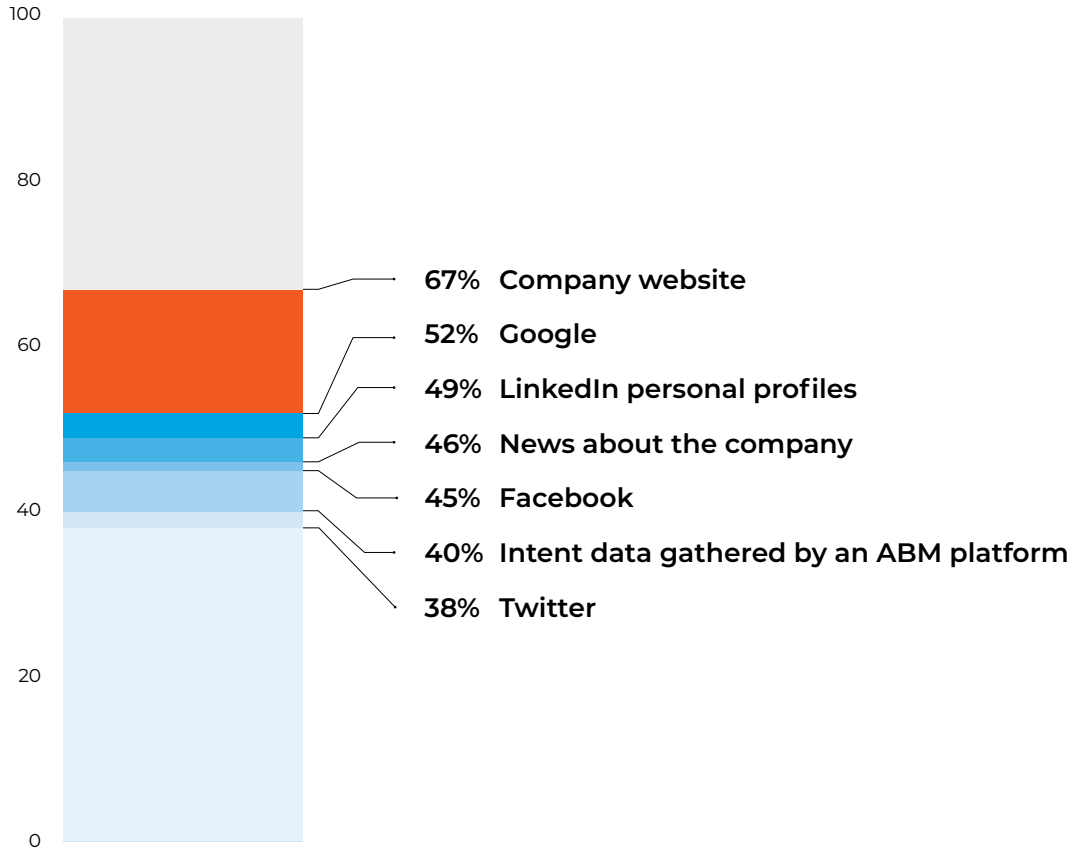


Assuming the average sales rep's annual salary is $100,000 (including overhead), organizations spend roughly $47,503 per rep on prospect research and message personalization each year.

Fig. 7

How is prospect research conducted?

When researching a prospect, which of these sources do you typically check before sending that prospect an email:



The issue here is that, despite the massive time investment, salespeople still aren't personalizing their communications as often, or as effectively, as they would like. Furthermore, both Sales and Marketing acknowledge that every sale requires a multitude of touches—89% believe that 5 or more are required and 40% believe 10 or more are required.

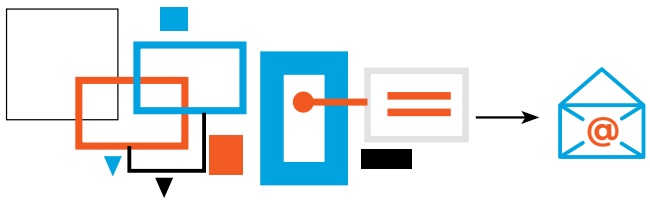
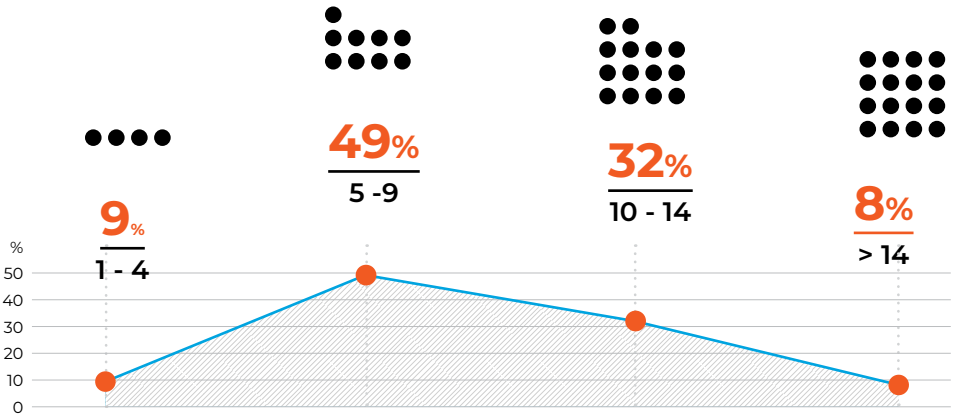


Fig. 8

On average, how many touches does it usually take to get a prospect account closer to making a purchase?



Despite massive time investment, salespeople still aren't personalizing their communications as often, or as effectively, as they would like. Only 68% of initial communications to outbound prospects are personalized.

With so many touches required to bring buyers through the pipeline, manual personalization becomes less and less realistic. Optimizing outreach with artificial intelligence brings the goal of consistent personalization within reach, which can shorten the sales cycle.

Optimizing outreach with artificial intelligence brings the goal of consistent personalization within reach, which can shorten the sales cycle.

Bridging the Execution Gap: Enabling Personalized Engagement at Scale Across Marketing and Sales

ABM works, that much is agreed upon. The research results indicate strongly that the issue lies in the feasibility of execution, and that organizations are having a difficult time identifying how to make that execution scalable. Given that the challenges are primarily tied to an inability to handle the sheer volume of data and personalize manually at scale, having tools that can automate certain communications while maintaining personalization is critical.

Conversational AI has emerged in recent years to help both Sales and Marketing intelligently automate critical phases of personalized communications. Conversational AI solutions engage in personalized, human-like two-way conversations and act with confidence, without requiring Sales and Marketing teams to do burdensome amounts of legwork upfront.

When Conversational AI is combined with ABM, the result is an innovative approach to driving personalized engagement at scale. This powerful innovation is known as Conversational ABM, and it allows you to proactively engage key prospects across your accounts by acting on ABM insights and delivering hyper-personalized experiences at every stage of the buyer's journey.

It is the technology that matches the moment and allows ABM to drive engagement and deliver iconic customer experiences at scale.

Given its recency as an industry, however, Conversational AI doesn't have much market awareness. In fact, 61% of respondents had not heard of Conversational AI tools. Junior employees, when compared to director level or above, are 2x less likely to have heard of these tools. This may be due to junior employees learning about their roles largely through how the roles have historically been approached—without the implementation of modern tools. Of those who had heard of Conversational AI, 52% were somewhat likely to purchase a Conversational AI tool/platform in the next 12 months, while 39% were very likely.

Most salespeople or marketers have not heard of these tools. Still, the majority of those who have expressed positive purchase intent, indicating that these sorts of tools have a strong place in the future of Sales and Marketing.

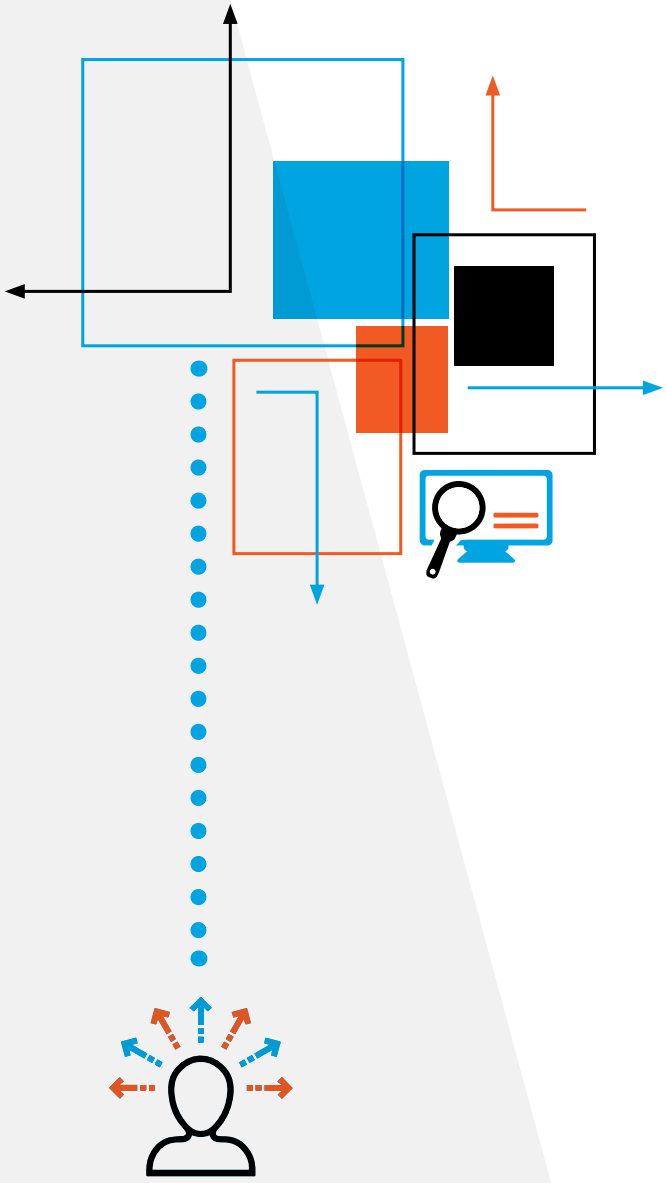


Fig. 9

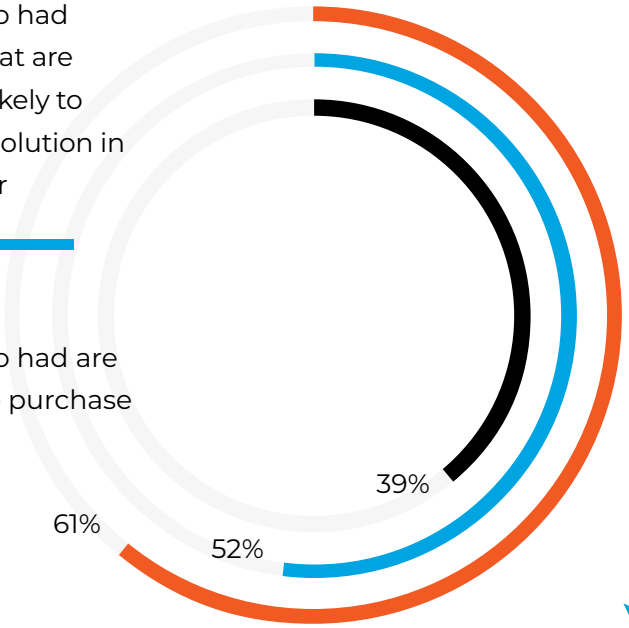
Purchase Intent for Conversational AI

Though 61% of respondents had not heard of Conversational AI, the majority of those had expressed some intent to purchase in the near future. 52% are somewhat likely to purchase a solution in the next year, while 39% are very likely.

61%
of respondents had not heard of Conversational AI

52%
of those who had are somewhat are somewhat likely to purchase a solution in the next year

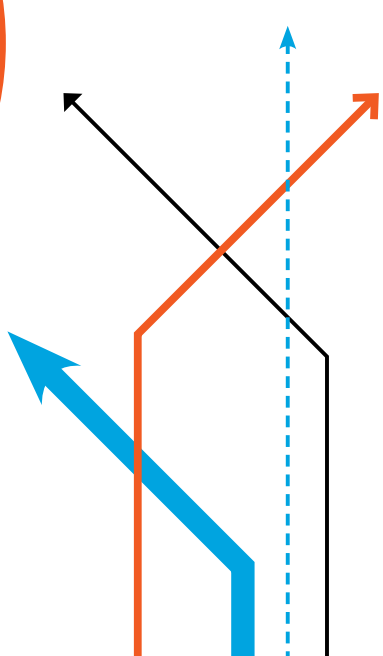
39%
of those who had are very likely to purchase

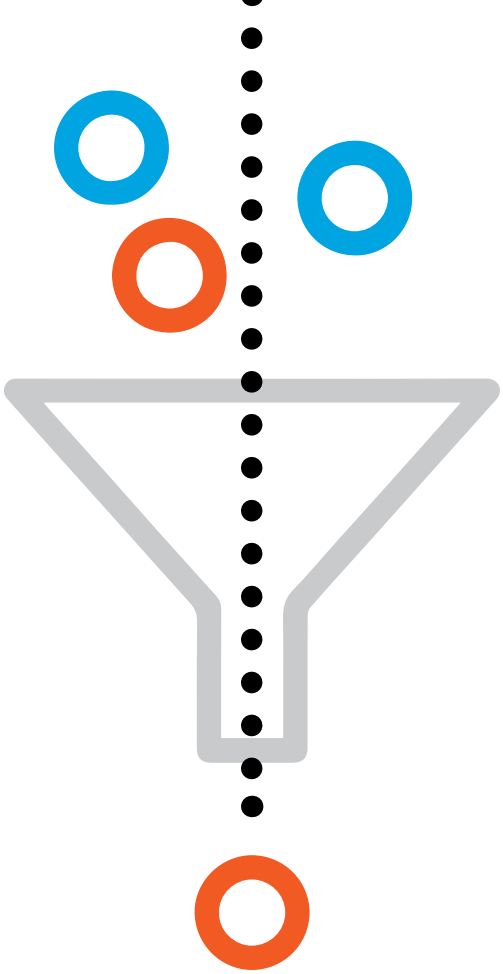


Next Steps for Sales and Marketing Alignment

More than ever, Sales and Marketing are in alignment about the importance and efficacy of their ABM strategy. It's also clear that the necessary data is available. In fact, the intent data seems to be plentiful. The remaining divide indicates a need for more deliberate collaboration between the two departments, and a need for improved tools that aid personalization especially in the use of intent data.

Though efforts to improve collaboration between Sales and Marketing should continue, the larger issue is a lack of technological adoption, particularly when it comes to enabling improved personalization and intent data management. In essence, salespeople and marketers are contending with too great a volume of data and prospects. For this hurdle, companies should devote time to researching intelligent automated solutions, such as Conversational AI, that can reduce the time needed to research prospects and effectively personalize messaging.





About Conversica

Conversica is a leading provider of Conversational AI solutions that help enterprise marketing, sales, and customer success teams attract, acquire, and grow customers at scale across the customer revenue lifecycle. Conversica AI Assistants operate as digital team members that can engage prospects, customers, or partners in human-like, two-way interactions that drive the next best action. The Conversica Conversational AI platform integrates natural language processing and deep learning to drive customer engagement, and offers 50 pre-built integrations as well as an open API for custom integration. Visit **conversica.com** to learn more.

About Renegade

Renegade LLC is a NYC-based boutique specializing in B2B brand strategy and market research. Learn more by visiting **renegade.com.**