

The blurring lines between ABM and demand gen

Dan Hansen, senior partner, Red House, explains why the line between ABM and demand gen will become increasingly difficult to identify

I believe that programmatic ABM is in its infancy, because thus far what's been built is really just the facilitating infrastructure: automation platforms; programmatic one-to-many ad platforms; and centralized content management platforms.

Growth will come as AI and machine learning hit their stride. Because, without AI, programmatic ABM may be a more appropriate strategy than broad-based demand gen programs, but not as cost-effective when you take all costs into account.

AI improvements in the last few years are changing the marketing landscape. And, as online AI (e.g. Google display retargeting) gets better at knowing what a 'like' audience actually looks like, the accuracy dividing line between programmatic ABM and demand gen becomes harder to identify.

Ultimately, I believe they'll be the same. Here's why:

True demand gen programs take market intelligence and apply it to a fixed audience. Thus, it should stand to reason that, as general marketing tools integrate more AI and connectivity, your demand gen programs will work along the same lines as programmatic ABM, reaching the customer that most closely matches customers we've successfully closed in the past.

If you play the scenario out, your integrated demand gen program will net people in a wider range of places,

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because the system already knows who best fits based on their online behavior. For example, if the prospective intelligence in Google search, Google display or Google retargeting indicates the visitor is prequalified based on past site visits (competitive sites, news properties, or other means of tracking) and they meet other data markers, there's a good chance they'll be served your message.

So, why would I want to narrow my chances of success by targeting a smaller, select group of companies with an ABM program? Higher profitability? If so, by how much? The variation in profit by client – in most cases – is nominal at best.

If you look at your client base, you may find that size – not profit – is the true differentiator. As long as the folks you're acquiring have the same qualitative makeup as the majority of your client base, there's no reason to believe the two approaches are mutually exclusive.

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And, while many marketers apply the 80/20 rule to customers to achieve their ABM models, I do not. When we've done client customer analytics, including profitability studies, most client customer rosters look more like a box and whiskers graph: the majority of clients that are most profitable aren't their largest, or smallest. They're somewhere in between. It's that wide, but narrow, section that holds the key to successful, highly targeted marketing.

In the end, if programmatic ABM and demand gen are not the same, my guess is that digital Darwinism will simply run its course and one will emerge with negligibly better results than the other.