



OF
B2B MARKETING
SEGMENTATION

WHY IS **B2B MARKETING SEGMENTATION** AS **IMPORTANT NOW** AS IT EVER WAS?

TARGETING THE WRONG AUDIENCES THROUGH OUTDATED INSIGHTS OR POOR ANALYSIS IS PERHAPS ONE OF B2B MARKETING'S GREATEST SINS.



OUR RECENT RESEARCH FINDINGS REVEALED 51% OF SENIOR B2B MARKETERS CONFESSED THEY STRUGGLE OBTAINING THE RIGHT DATA TO ACCURATELY SEGMENT THEIR AUDIENCE.

A FURTHER 54% SAY IMPROVED ACCURACY OF THEIR TARGET ACCOUNT LIST (TAL) WOULD HELP THEM PROGRESS THEIR ABM STRATEGY, WHILE 39% FIND NOT KNOWING WHICH ACCOUNTS ARE THE RIGHT ONES TO TARGET A KEY FRUSTRATION.

These insights have been collated from our research conducted among 200 senior professionals in the Insights for Professionals (IFP) marketing community. Our research found that even among experience marketers, segmentation remains a key area requiring continuous attention.

As segmentation forms the foundation for digital marketing success (including account-based marketing), not having the right approach can limit the scope of your programs, causing poor conversion rates, under-achieving ROI – not to mention the frustrations for both your marketing and sales teams.

Are you a victim of poor Segmentation?

Here's a list of common symptoms caused by segmentation malpractice:

- Poor engagement rates
- High bounce rates
- Low page sessions duration
- High unsubscribe rate
- Under average conversion rate
- Missed ROI
- High customer churn

If you suffer from any of the above, it's time to re-examine your segmentation and targeting strategy.

This Holy Grail of B2B segmentation approaches runs you through the basics right through to the most advanced practices. Blending our first party research with the most up-to-date industry insights, our aim is to help you see real improvements through executing our recommended easy-to-follow techniques.

CHAPTER 1: SEGMENTATION FUNDAMENTALS

The following may seem rudimentary to most experienced marketers, however, by taking it back to the beginning you can identify cracks in your segmentation strategy before they manifest into something more concerning.

Total Addressable Market - TAM

TAM represents the total demand for your product or service offering and requires macro segmentation variables.

Thematic reasoning techniques such as firmographic data is a strong B2B marketing segmentation technique used for building or assessing your overall TAM.

Battle of the Acronyms

TAM VS **ICP** VS **TAL** VS **LAL**

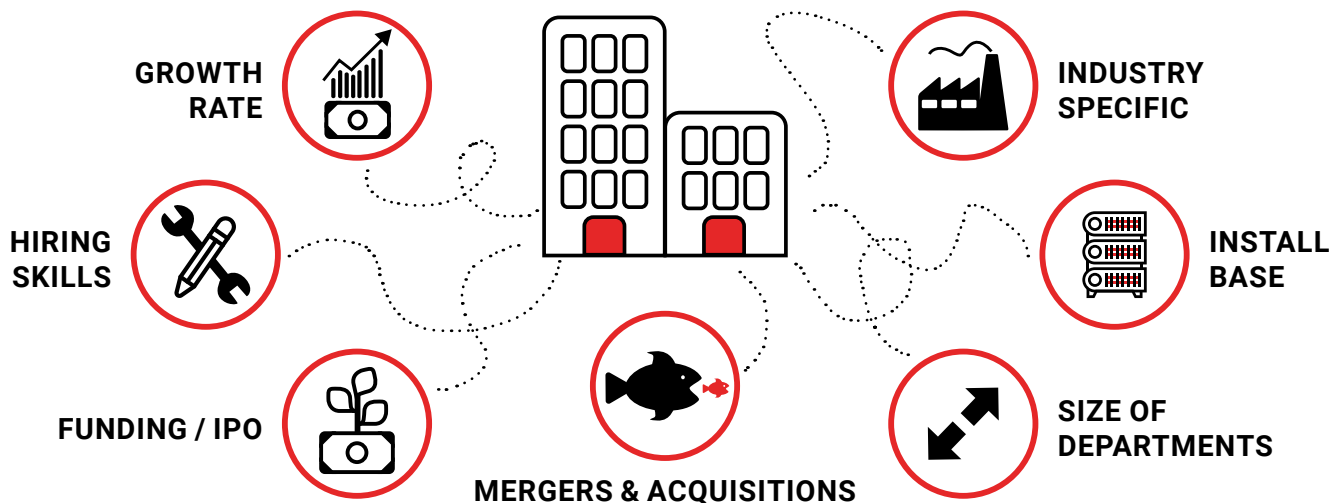
TAM: Total Addressable Market

ICP: Ideal Customer Profile

TAL: Target Account List

LAL: Lookalike

FIRMOGRAPHIC INTENT



This is achieved through leveraging specific data (such as the above) to form the macro segmentation criteria for identifying your market. Often the criteria is benchmarked against information held against existing customers stored in your CRM system.

Segmenting your audience simply by TAM is associated with broad based marketing and one-to-many ABM strategies. If you're having issues developing campaigns that resonate with your audience or executing 1-1 personalization, you need to evolve your approach to enable more granular segmentation.

Ideal Customer Profiles - ICP

ICPs require analysis of your CRM to uncover the most attractive customer segments that best suit your internal capabilities.

Here's 3 steps to perfecting your ICPs:

1. Interrogate existing customers

Analyse your current customer base for common characteristics.

For example:

- Firmographic data such as industry, revenue, number of employees, and location
- Parent companies, or subsidiaries, that may show opportunities for cross selling and upselling
- Particular job titles or departments
- Specific technology use

Not every customer can be neatly matched to a category. However, identifying salient characteristics that naturally segment your data into meaningful audiences will enable you to better pinpoint their profile, pain points, and needs – essential for identifying your most attractive customer segments.

Consider the following...

Which customer segments provide:

- The most reward and least effort to acquire and retain?
- The most kudos (high profile brands with high market influence...etc.)?

Which customer segments provide:

- The most effort and least reward?
- The least kudos (low influence, low market presence...etc.)?

Which customer segments:

- Best match your internal capabilities?
- Would require modifying your market offering and value proposition?

2. Check out your competition

Your current customer data can provide useful insights. It can't help you to find potential new audiences. Looking at your competitors will show if there are any obvious gaps in your current targets. Many companies have credentials and case studies on their websites, these are also great for flagging up new key targets your business should be focusing attention on.

ONLINE TOOLS FOR CHECKING OUT YOUR COMPETITORS:

SEMrush, DueDil, BuiltWith, Ahrefs.com, Sprout Social, Phlanx, Social Blade, Buzzsumo, Similarweb, Mailcharts, Owletter, iSpionage, Owler

3. Identify strategic wins

There may be particular wins that would make a big difference to your business. This might be an emerging brand in a new market or from a particular group, like the Fortune 500.

Leverage the criteria you used while segmenting your existing customer data into relevant ICPs. This will ensure you go after the most suitable high rollers for your business. After all, once you win them, you have to ensure you can service them...

Once you know who your ideal customers look like and what criteria defines them, it's time to transform this wishlist into something a little more tangible...

Target Account List - TAL

Target account lists are accounts you want your sales and marketing team to focus their efforts on and are usually based on your ICP.

A high quality TAL takes time as it involves qualifying leads before launching a marketing campaign, rather than afterward. Running accounts against your ICP is a common technique however, some target accounts may look great on paper but demand a lot of resource to win and retain their business. Therefore, it's recommended to actively seek input from your sales team. This will give you a perspective from both the sales and marketing side to give you a better understanding of where your most attractive opportunities lie.

Take your TALs to new levels...

Leveraging predictive analytics goes one further through uncovering key accounts displaying in-market tendencies. This will enable you to create priority tiers for next level targeting.

This ensures resources are concentrated on the right accounts with the highest propensity to buy.

Lookalikes - LAL or account modelling

Restrictive audience counts can make campaigns unviable, especially if there is a lack of reliable evidence to suggest these accounts are actively in-market.

This is when Lookalike marketing also known as Account modelling is effective. Layering first party intent against AI and 3rd party insights can make it possible to spot other lookalike accounts that share the same salient characteristics as your seed target accounts.

This makes creating 1-1 personalization at scale more achievable as it is likely the same tailored messaging will resonate with your expanded audience.



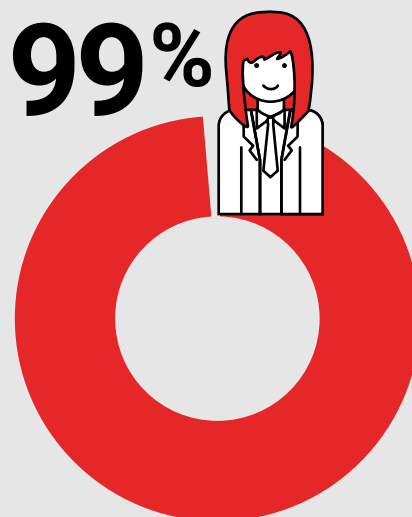
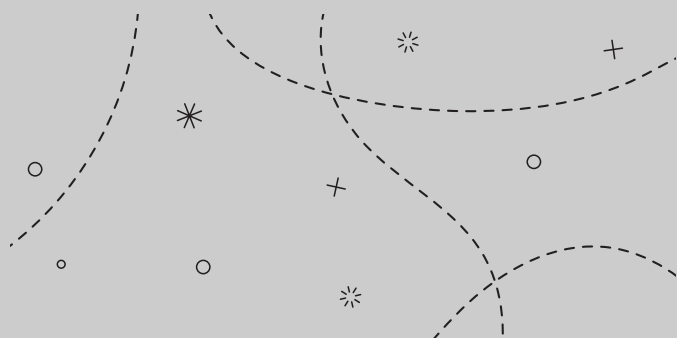
CHAPTER 2: WHY MICRO SEGMENTATION SHOULD BE AT THE HEART OF SUCCESSFUL ABM

If you follow the process outlined in chapter 1, you should have a renewed confidence in your ability to macro segment your market. However, this is not enough to win big in today's highly competitive environment.

99% of marketers agree that customer relationships are advanced by personalization. This means marketers need an accurate micro understanding of their target audience segments more than ever. One-size-fits-all messaging is simply unlikely to succeed.

Client expectations are changing in other ways too. Brands like Amazon have used data and automation to change the retail industry. Of the top million terms searched on Amazon over one month, the top three organic results captured an average of **62% of conversions**. Customers welcome the Amazon-like buying experience and are prepared to switch vendors when it's not offered.

No wonder that interest in account-based marketing (ABM) is growing. Since this strategy targets key accounts individually, it has personalization at its core. What's more, **88%** of senior B2B marketing professionals have seen an improvement in conversion rates when using ABM. Supported by new technology, it's easier than ever for marketers to personalize at scale.



99% OF MARKETERS AGREE THAT CUSTOMER RELATIONSHIPS ARE ADVANCED BY PERSONALIZATION.

There is a hitch.

Target companies consist of many individuals, with their own priorities. Some ABM campaigns concentrate on reaching the budget holder. This means reducing whole companies to a single buyer persona — with one-size-fitsall content.

But is this the best approach?

Think about all the untapped opportunities that lie within your target account's decision making unit.

CHAPTER 3: ADVANCED ABM SEGMENTATION

Creating a target-account list is an important first step. It's no guarantee of success. A common pitfall of ABM campaigns is to target only the main decision-maker. This completely ignores the wider team, placing key influencers on the periphery.

Have you seen strong engagement from a prospect, which then completely drops off? It could be a warning sign. Engaging all members of the decision-making unit (DMU) is key to building strong internal support for a deal.

This means considering multiple audience personas. And creating content relevant to their roles, priorities, and perspectives. Can you win advocates amongst potential product users? It could make a crucial difference in a competitive bid scenario.

Key Performance Indicators (KPIs) are another important decision. Should you concentrate on leads or meetings booked? Forrester's [Laura Ramos](#) argues convincingly that engagement metrics still matter. **Building awareness is an important marketing function, even if the company isn't ready to buy.**



91% of B2B marketers leverage content marketing to achieve their demand generation initiatives, while 88% are aiming to increase the amount of content they produce in 2021.

It appears content marketing strategies remain top of the agenda to ensure both the right quantity and quality of content is produced, to reach the right people at the right stages of the buyer's journey. They simply expect relevant content to be available on their preferred channels.

For marketers, this implies ensuring relevant content is created and made easily accessible through leveraging the most effective content amplification techniques.

In other words, enabling the best personalized content to reach, engage and convert the right DMU members at the right time – in the right way.

CHAPTER 4: B2B BUYING; WHAT DOES THE MODERN DMU AND BUYING PROCESS LOOK LIKE?

The decision-making unit is at the core of B2B selling. Also called a buying center, it consists of all the participants in a purchase decision. The DMU comprises six archetypes: **initiator, influencer, decider, buyer, user and**

coordinator. Targeting only one role within the group could jeopardize your sale.

The DMU concept was first created by Webster and Wind in 1972. Unsurprisingly, it's evolving:

Millennials

Millennials have entered the workforce. Around **73%** of millennials aged 20-35 are now involved in product or service purchase decisions for businesses. And a third reports that they're the sole decision maker for their departments. This new demographic has brought new B2B research habits. They gravitate more strongly towards video and online. They have a preference for short bursts of information. And they hate phone calls.

Online buying

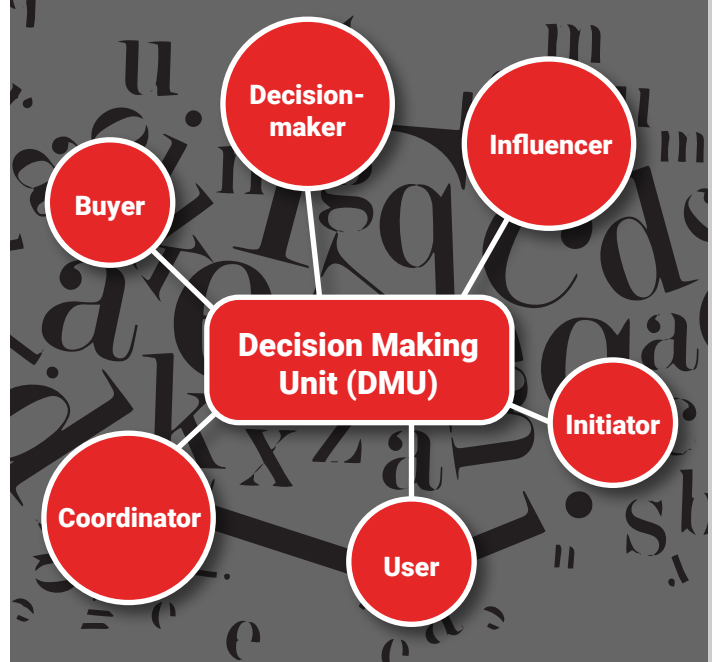
94% of B2B buyers research online at some point in the buying process. **81%** of B2B buyers now expect a personalised online buying experience. Meetings and phone calls with sales contacts now take place much later in the buying process. After completing their online research, buyers are choosing who they want to speak to. It's an 'invitation only' sales shortlist. **To make it onto the guest list, you must provide relevant information throughout the customer journey.**

Bigger DMUs

Finally, the DMU is growing. The Harvard Business Review estimates that "the number of people involved in B2B solutions purchases has climbed from an average of 5.4 two years ago to 6.8 today."

To reach this larger, more diverse group, marketing campaigns have to work harder than ever. This means creating more diverse audience personas and relevant content.

One-size-fits-all is unlikely to succeed.



Telling B2B Insights

What do these insights reveal about the state of the modern Buyer Decision Process?

NEED RECOGNITION: THIS IS THE ONLY PROCESS STEP THAT IS NEVER SKIPPED

- Google processes over 40,000 searches per second, more than 3.5 billion per day ([IFP](#))
- Over half of all web traffic now exists on mobile phones ([IFP](#))
- 61% of B2B buyers research products from their smartphones ([IFP](#))
- Only 7% of businesses effectively use internal site search data ([IFP](#))
- Emails convert three times more than social media ([IFP](#))
- 75% of millennials feel phone calls are too time-consuming ([IFP](#))

RESEARCH

- 73% of millennials aged 20-35 are now involved in product or service purchase decisions for businesses ([IFP](#))
- Marketers who segment email lists experience 39% higher open rates ([IFP](#))
- 88% of B2B businesses see their bottom line directly impacted by bad data ([IFP](#))
- Companies who conduct lead segmentation can improve their conversion rates up to 355%, leading to improved revenues up to 781% ([IFP](#))
- 56% of B2B marketers say obtaining the right audience intelligence to create ICPs is one of their biggest challenges ([B2B Content Intelligence Report](#))
- Segmented campaigns see 59.99% greater clicks than non-segmented ones ([IFP](#))
- Targeted emails have a 68% open rate, compared to 22% for general emails ([IFP](#))
- 55% of buyers no longer trust businesses they buy from as much as they used to ([HubSpot](#))
- 51% of senior B2B marketing professionals struggle obtaining accurate audience segmentation ([B2B Content Intelligence Report](#))

RESEARCH EVALUATION: ALSO KNOWN AS THE EVALUATION OF ALTERNATIVES STAGE

- 52% of senior B2B marketers say identifying in-market buyers within segments is a key challenge ([B2B Content Intelligence Report](#))
- 24.5% of people who unsubscribe from emails say it's down to relevancy ([IFP](#))
- 39% of B2B marketers see custom content as the top emerging content tactic for 2021 ([Dissecting the B2B Content Marketing Strategy Report](#))
- 75% of the global workforce is predicted to be made up of millennials by 2025 ([B2B Inbound Marketing Insight Report](#))

DECISION

- 64% of decision makers do read their emails ([IFP](#))
- Nearly 70% of businesses involve 5 or more people in every buying process ([IFP](#))
- 90% of business professionals agree that there is usually or always one member of the decision making unit who tries to influence the decision to match their own ([IFP](#))
- 61% of senior B2B marketers use action intent to inform their audience segmentation criteria ([B2B Content Intelligence Report](#))

POST-PURCHASE EVALUATION

- 86% of buyers are willing to pay more for an excellent customer experience ([IFP](#))
- The experience a brand provides is valued just as important as its products and services, according to 84% of buyers ([IFP](#))

**HOW DOES YOUR STRATEGY ACCOMMODATE
THESE DISTINCT BUYER BEHAVIORS?**

CHAPTER 5: GETTING STARTED: PLOT YOUR TARGET DMU

The decision-making units in your target accounts will vary in size and make-up. Each individual will have his or her own perspective, and needs.

Rational needs are usually easily identified and included in requests for proposals (RFPs). **Emotional needs** may include fear of failure, or the wish to look good in front of others. Both sets of requirements may apply at an individual or company level.

What emotional needs does a company have? The increasing interest in 'cultural fit', i.e. compatible values, is arguably one example.

A good way to test your plan is to plot the key stakeholders in your target DMU. How do they fit into your identified buyer decision process?

DMU Planner					
	User	Initiator	Influencer	Decision Maker	Buyer
Job Titles (e.g. Executives/ Managers/ Shareholders/ Directors/ Finance...etc.)					
Priorities (e.g. Efficiency/ productivity/ cost/ reduction...etc.)					
Information Needs (e.g. Advice/ product/ info/ cost/ analysis...etc.)					
Content Preferences (e.g. Infographics/ checklists/ analyst reports... etc.)					
Channel Engagement (e.g. Social/ email/ subscriptions/ display...etc.)					
What stages of the buyer decision process do they appear in?					
Out of 1-5, what's their influence on the buying decision?					
Who do they want to impress?					
What do they fear?					

CHAPTER 6: BRINGING IT TOGETHER: CREATING ACCURATE BUYER PERSONAS

Vetted target account list? CHECK.
Insights into the buyer decision process and DMUs? CHECK.

Now it's time to transform this data into accurate buyer personas. These profiles will ensure you keep your customers at the heart of your communications.

HOW CAN YOU LEVERAGE USER INSIGHT AND BEHAVIOR TO ELEVATE YOUR TARGETING EFFORTS?

Now create a series of fictional profiles. Use the data from your analysis and complement it with made-up details. This popular technique brings your target to life in the minds of your marketers and writers. They should be realistic, but not so specific that they exclude potential customers.

Compare your profiles with your research about your target companies. And don't forget to consider all members of the decision-making unit. If you only go for the C-level roles, you'll miss out the influencers further down the hierarchy.

3 TECHNIQUES TO KICK-OFF YOUR BUYER PERSONAS

1. Existing customers

Start with customers you've identified as key target accounts. Think demographics: age, gender, socioeconomics, family status, location. Then move onto goals and pain points. Survey your existing customers and draw information from your CRM, if possible.

2. New customers

To research potential new customer profiles, check out who your competition is targeting. Your website and social media analytics should yield further insight. Do you have visitors who are engaging with your content, but who aren't customers yet? Draw as much insight into what they like, what they don't like, how they engage and how they withdraw; all these behaviors will help you uncover the secret to profitable engagement.

3. Social listening

Social listening techniques help you to understand what people are saying about your brand or products online. Talk to your customer-facing colleagues, too. What are they hearing about what people like and don't like about your company? Use this to help inform your tone of voice right through to topics and subjects you talk about.



Intent modeling

So far, so familiar. But there is a whole new level of insight available: intent data. Intent modeling examines digital behavior patterns. It can come from your own content or third-party providers.

58% OF B2B MARKETERS USE INTENT DATA WITH THE GOAL OF IDENTIFYING EARLY BUYER INTEREST.

HOWEVER, 64% STRUGGLE TO ACTION ON INSIGHTS GATHERED FROM INTENT DATA.



HERE ARE 5 TYPES OF INTENT DATA LEVERAGED BY FORWARD THINKING MARKETERS:

1. **Searching (keywords & queries)**
2. **Browsing (cookies & categories)**
3. **Action (interactions & downloads)**
4. **Firmographic (ABM)**
5. **Predictive (lookalike modelling)**

1. Searching Intent (keywords & queries)

When it comes to keywords and search terms - **we are what we type**. That's why these digital signals are an invaluable tool in a digitally savvy marketer's arsenal.

Each typed word or long-tail keyword phrase provides a strong indication of the user's intent. These can be used to better understand the motivations, interests and behaviors of your target audience.

From a business perspective, we want to track trends in the consumption of information on topics that you write about, and segment and target those users with relevant content during the many stages of their research.

SOME KEY SEARCH QUERY TECHNIQUES TO CONSIDER:

Informational Search Queries: These are powerful because they tell you what users are looking for – in their own words! This is a crucial area you want to guide much of your research towards, as this is a critical touchpoint for consuming content that helps solve a problem, answer questions or grow knowledge.

By pumping out quality content that directly addresses the above, you are better positioned to build credibility, trust and long-term engagements.

Content recommendations:

- Thought Leadership
- Analyst/Survey Reports
- How-to Guides
- FAQ Web Pages
- Instructional Videos
- Insight Driven Infographics
- Ask the Expert Podcasts

We also want to ensure our content assimilates the language used by our target audiences. In the same way mirroring body language is a subconscious ploy to connect with someone, mirroring keywords your target audience actively use in your content, helps to accelerate understanding and trust by showing you're talking their language.

NAVIGATIONAL SEARCH QUERIES:

These are search terms users are actively using to find a specific page or website. For example 'Twitter', 'Inbox Insight', 'LinkedIn', 'Facebook', 'YouTube'...etc.

As a high percentage of navigational queries denotes a strong awareness of your brand, this could be a useful metric to benchmark when launching campaigns with the objective of growing awareness amongst your key audiences.

INTERNAL SITE SEARCH:

Analyzing search queries on your own website is just as important. Only 7% of businesses effectively use internal site search data.

When analyzing your internal site searches, pay close attention to:

- **Most searched terms** – trends of your audience
- **Next pages they visited** – looking at intent behavior flow
- **Popular searches that lead nowhere** – great ideas for creating content

2. Browsing Intent (cookies & categories)

Which Specific Content Has the User Viewed?

Whilst keywords and search queries provide unique insight into how your target segments research along with the real-life language they use to express or articulate their pain points, browsing intent data provides an additional dimension, through which you can grow your audience understanding.

Cookies and browsing history involve tracking usage across devices and browsers in order to avoid a fragmented view of your customer. We recommend investigating the following 2 areas:

First Party Browsing Intent

Pages that your users are viewing on your website, or reading in your marketing automation workflows. Combining this with metrics around length of engagement or content format gives you greater detail into user intent.

Third Party Browsing Intent

Users browsing relevant content on sites other than your own. This could include B2B publishers, business or technology-focused online communities, or even social media groups. Targeting these signals lets you reach relevant contacts outside of your own audience.

“SOME OF THE BEST INTENT DATA ON THE MARKET TODAY COMES FROM WELL-KNOWN B2B CONTENT COMMUNITIES WHERE BUYERS GO TO SELF-EDUCATE.”

MARKETO

3. Action Intent (interactions & downloads)

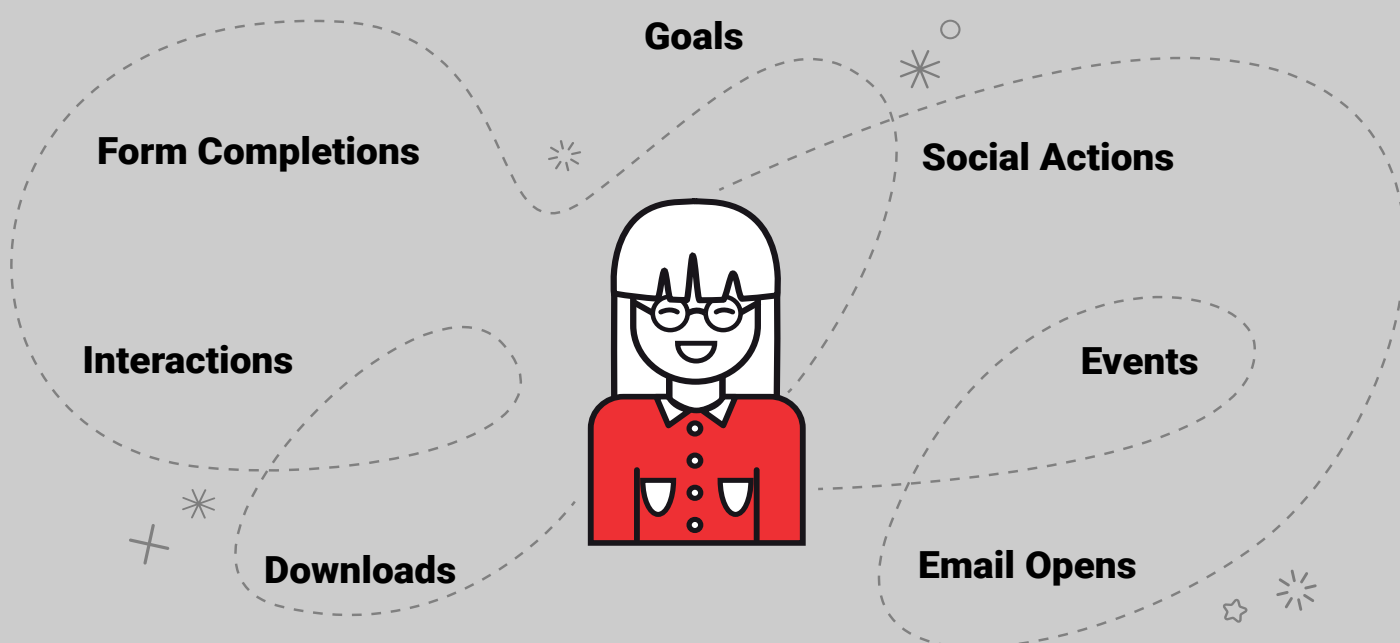
A level down from browsing you can look at interactions. This is about understanding and recording the steps a user takes around your digital channel eco-system. By taking in the multiple touchpoints a user goes through before even wanting to connect with your brand, savvy marketers are able to adapt their strategy to deliver optimized content experiences that increase the probability of a sale.

This can be referred to as **digital body language** or **digital footprint**. Each digital interaction helps unlock knowledge of the mindsets of your target B2B buyers. An incredible **99%** of B2B marketers using intent data have seen improvements across ROI, conversion rates or both.

As B2B buying decisions are more complex and include more stakeholders than ever before, it's important to observe not all digital footprints follow a linear and repeatable trajectory to purchase. In fact, much like their mindsets, their journeys can be fraught with anomalies, back tracking and buyer stage hopping.

You can put this insight into action by mapping out your digital eco-systems against each user persona segment, recording all user driven actions across these multi-channel touchpoints and feeding it into your intent model. Understanding which categories of pages and keyword topics your target users engage with will give you a profile of their intent. This knowledge should feed directly into your B2B content strategy, helping you understand different segments of intent that show a strong indication of what they want to hear - when they want to hear it.

ACTION INTENT



4. Firmographic Intent (ABM)

As previously discussed at the beginning of this guide, thematic reasoning techniques such as firmographic data is a strong B2B marketing segmentation technique used for building or assessing your TAM.

This is achieved through leveraging specific data to form the selection criteria for shaping

your market into segments, such as industry, revenue, number of employees, location...etc.

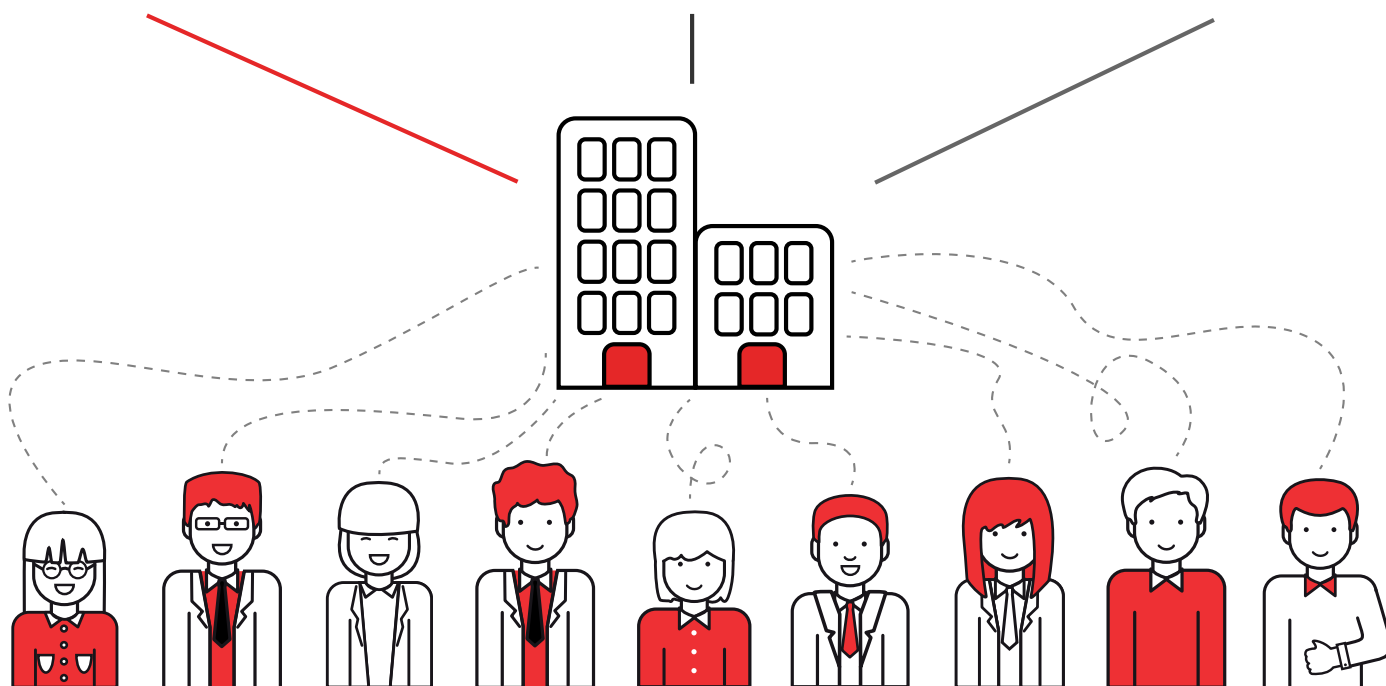
If you're gathering this insight from the individuals engaging with your content, and you can match them to an account (for example, when they give you their email address or company name on a form) then you can tie these data points together.

FIRMOGRAPHIC INTENT

35% Hybrid Cloud

83% Container Storage

54% Malware



Aggregated intent from the individuals combined into an Account-Based profile

Looking at the company level and aggregating these individual intent signals together, we can get a picture of what each of the accounts in your CRM / MarTech are most interested in. You can then react accordingly with your campaigns.

Outside of the individuals within the company you may also want to explore account-based data around organizational features. For example, changes to budget indicated from mergers, acquisitions, or funding. Or it might be a recent uptick for hiring certain skills or using a specific technology type.

5. Predictive Intent (lookalike modelling)

The previous 4 types of intent data are based on historic and real-time data. Predictive Intent leverages this knowledge to identify patterns or similarities to inform future trends, actions or behaviors.

For example, a spike in engagement with content about DDoS attacks, who are in the retail industry, above 1000 employees, with ecommerce job titles.

Or you might look at which specific pieces of content have been engaged with by a type of persona you use, and target the most popular piece to those of that particular persona that haven't read it yet.

Now you know this, you can look at how to jump on this trend and target others who share nearly all of these features and expand your reach into those highly likely to be interested.

Consider what each stage of the buying journey looks like in intent data. What content is relevant for each stage and persona? How can you leverage the 5 types of intent data to create or sustain interest in your solution?

NEXT STEPS

Congratulations! You should now be armed with your target account list, buyer personas and a map of your buyer decision journey.

The next step is to create a content strategy. What content will you produce and how will it satisfy the needs of your newly discovered target audiences?

Find out more in the ['Ultimate Guide to B2B Marketing Plan'](#):

- Create and optimize messaging for your target personas
- Deploy the right multi-channel approach and use data to amplify the reach of your content
- Choose the most appropriate KPIs for your campaign objectives

Ready to put your strategy into action? Find out how to build effective campaigns that leverage the best multi-channel and data-driven tactics to achieve your objectives.

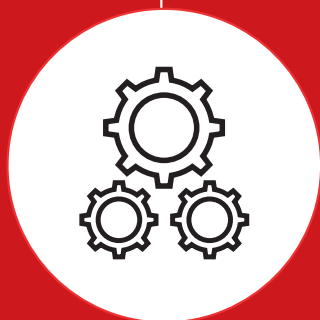
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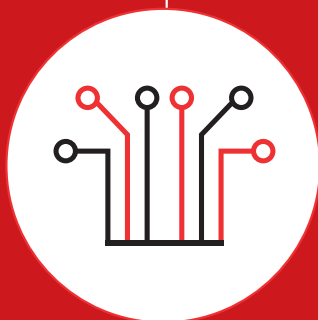
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Ready to build your own success story?



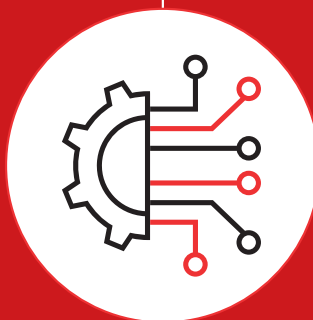
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