








B2B Expert Marketing Guide

IDEAL CUSTOMER PROFILES & SOPHISTICATED SEGMENTATION

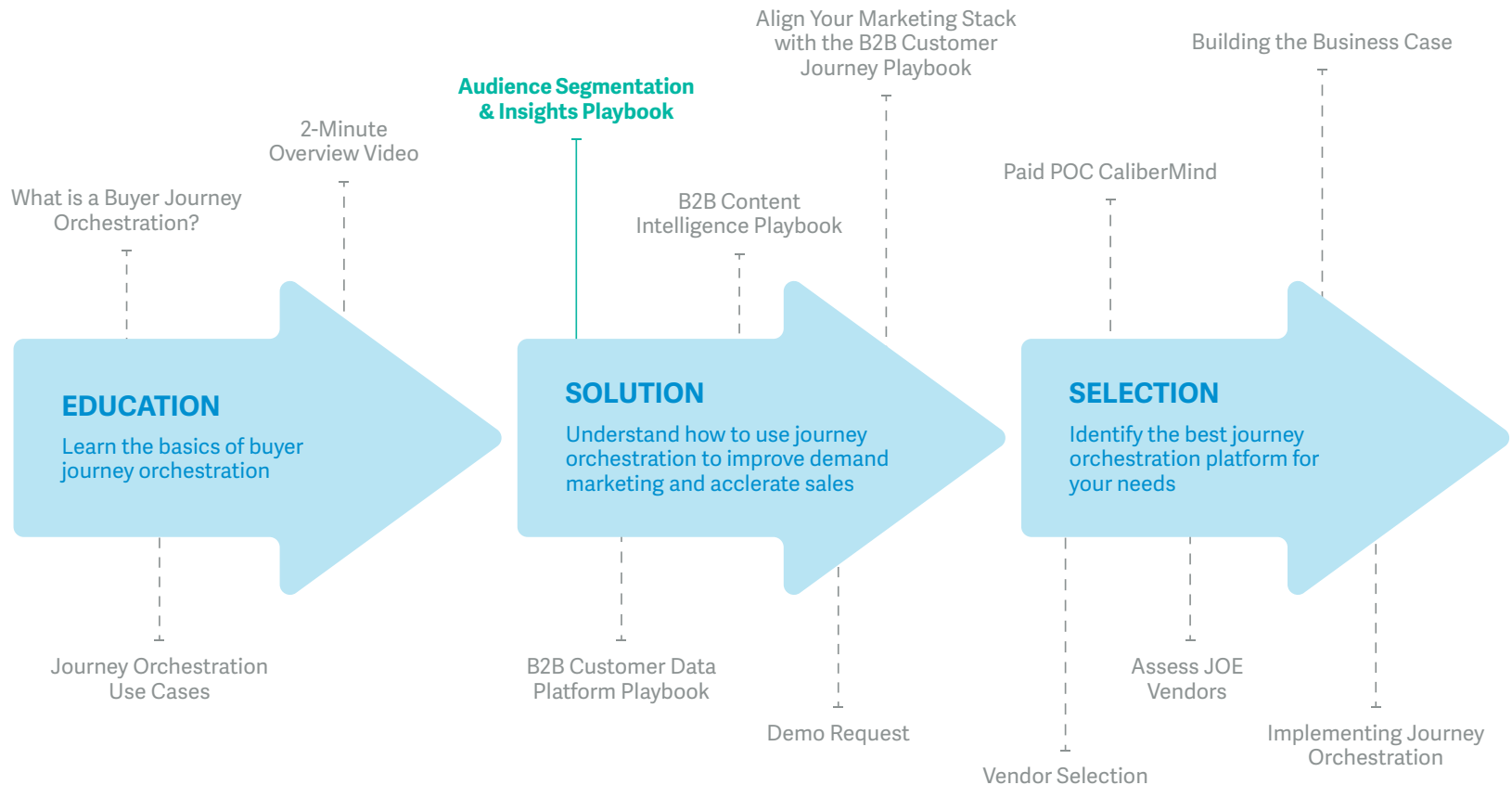


CaliberMind

WHO'S THIS FOR?

-  B2B Marketing Technologists
-  Demand Generation
-  Marketing Operations
-  Revenue Operations
-  Marketing Analytics
-  Marketing Data Scientists
-  Sales Enablement

IS THIS CONTENT RIGHT FOR ME?



A LETTER TO B2B MARKETERS: YOUR BUYER'S ATTITUDE HAS CHANGED

Since the birth of B2B marketing automation, the dream has always been 1:1 marketing and sales—a level of personalization where, at the individual level, marketers and sales reps speak directly to each potential customer in the way that's most likely to resonate with them. Forrester Consulting defines personalization as “the ability to present customers with relevant products and offers that accurately reflect their stated and unstated needs.”

To date, a major challenge has kept B2B marketers from achieving that dream: not only do they need understand a single buyer, but also a group of buyers, as up to 17 people now influence a typical enterprise buying decision (Source: IDG). Understanding so many buyers at such a personal level requires a lot of data and intelligence, and until now, it's been too high of a technical hurdle to achieve, resulting in longer sales cycle (average 8 months) and lower conversion rates (1%-3%) (Source: SiriusDecisions).

The wave of “predictive” lead scoring we have seen over the past few years may have helped a bit, but this method still rests on mostly account-level data such as company size, industry classification, number of employees, etc. This process is too one dimensional and lacks any buyer context to accurately predict buying intent. People—not accounts—buy from people and any so-called “predictive” model that aims to predict buyer's behavior must factor not only firmographic and behavioral data, but also people data in the form of buyer psychographics (needs, motivations, pain points, personality traits, etc).

Leveraging buyer psychographics is essential for shortening improving sales efficiency and is is one of the most effective B2B segmentation dimensions in large deals with long sales cycles, producing a minimum 24% increase in business performance.

The problem is that you can't just go out and buy psychographic data like you buy firmographic data – it generally requires primary research, also known as developing buyer personas.

A buyer persona is a detailed profile of your ideal buyers based on market research and real data about your actual customers.

The more detailed your personas are, the more results they will yield. Your buyer personas play a part in every single thing you do in marketing and sales enablement. Everything you create—from blog posts and white papers to automated emails and carefully crafted calls to action—should be created with your buyer personas in mind.



Regards,



Raviv Turner

Co-founder and CEO, CaliberMind

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GET IN TOUCH

WHY YOU SHOULD CARE ABOUT THIS GUIDE

Why write another guide on B2B audience segmentation when so much has already been written by others?

Most materials you'll find on this topic are either too basic or overcomplicated. And even if you find a great source, such as [Openview's Customer Segmentation: A Guide to the Best B2B Practices](#), there are still some important information gaps that need to be filled. In this article we attempt to contribute to the overall conversation on ICP, mapping the buying center, developing and deploying data-driven buyer personas.

Why is this article so long? And why are you combining ICP, Buying Centers & Buyer Personas into one topic?

The reason why we are combining ICP, Buying Centers & Buyer Personas into one paper/article is that these topics are all part of the same audience framework which is key to understanding buyers and their buying journey. If your audience framework is incomplete or inaccurate, then your sales cycle will be misaligned with the buyer's journey, making your paid, search, social and content marketing campaigns less effective than they should be. The result is poor lead quality, low content engagement, poor conversion, stalled deals and missed revenue target.

WHY YOU SHOULD CARE ABOUT THIS GUIDE (CONT'D)

“Those firms that did use psychographics were richly rewarded. It was the most effective segmentation dimension resulting in a 24% increase in business performance.”

Art Weinstein,
Professor of Marketing at Nova Southeastern University
'Segmenting Technology Markets - Lessons Learned from B2B Leaders'



Part One

SETTING THE STAGE: COST OF B2B BUYING DISCONNECT

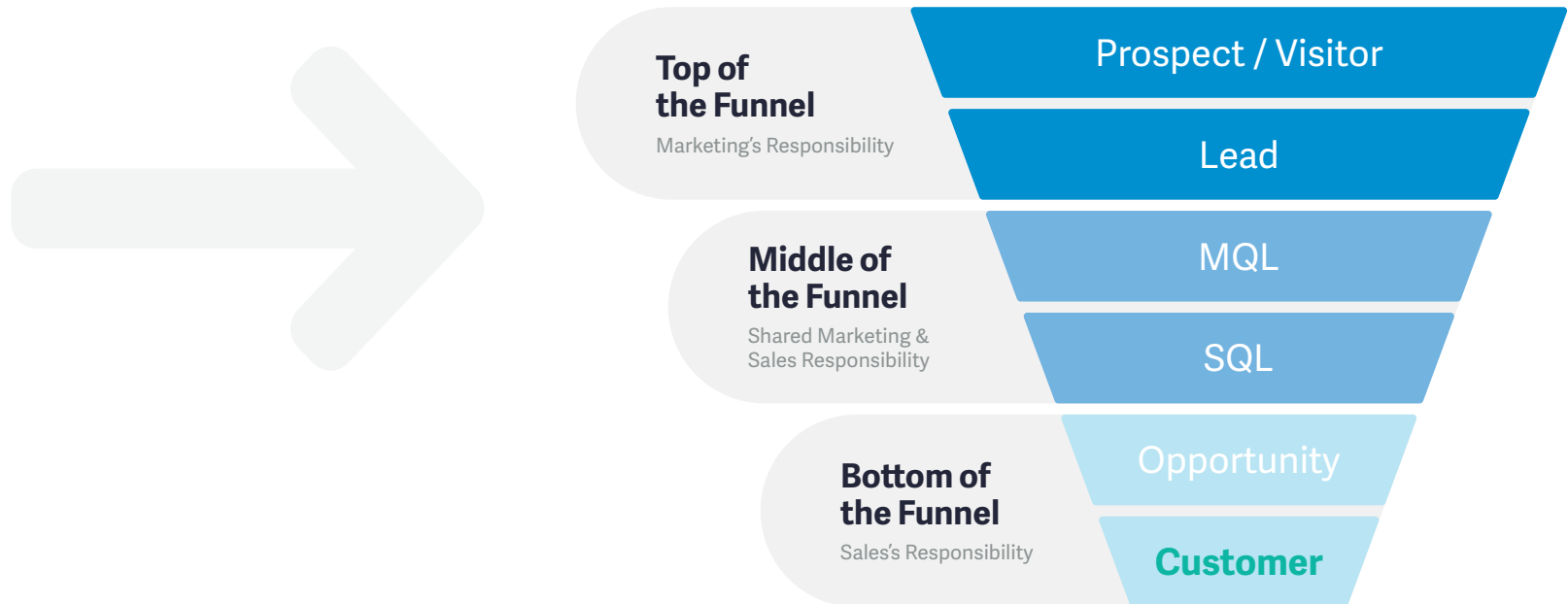
- ➔ The Evolution of Buyer Personas
- ➔ The Cost of Misalignment: It's About the Customer, Not Internal Issues

THE COST OF MISALIGNMENT: IT'S ABOUT THE CUSTOMER, NOT INTERNAL ISSUES

Sales and marketing alignment is a hot topic in today's marketing conversations. It's all about getting the right content to the right person at the right part of the buying cycle. The marketing and sales funnel has become a staple of that conversation and companies have spent years and tons of resources trying to refine, perfect, and master it. But what about aligning your funnel with the actual needs of your customers, not just your business? To illustrate:

You Are Doing This

Marketing & Sales Funnel Defining the 6 Stages of the Marketing and Sales Funnel



THE COST OF MISALIGNMENT: IT'S ABOUT THE CUSTOMER, NOT INTERNAL ISSUES (CONT'D)

But Your **Buyers**
Are Doing That

Today's Buyers Control Their Journeys More
Than Vendors Do



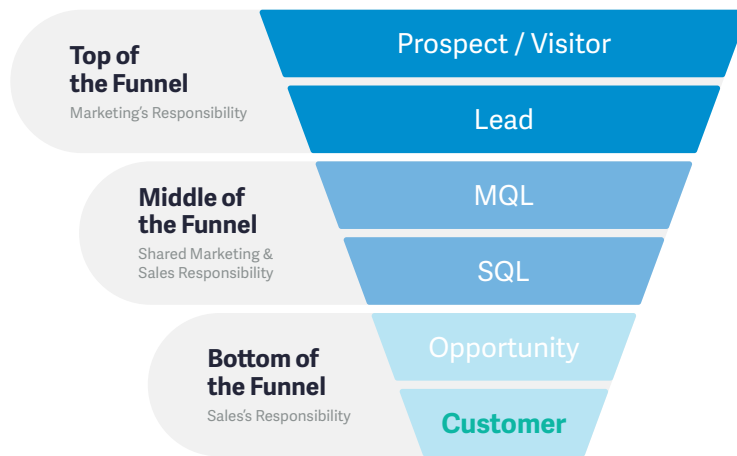
THE COST OF MISALIGNMENT: IT'S ABOUT THE CUSTOMER, NOT INTERNAL ISSUES (CONT'D)

You Are Doing This



Marketing & Sales Funnel

Defining the 6 Stages of the Marketing and Sales Funnel



But Your Buyers Are Doing That



Today's Buyers Control Their Journeys More Than Vendors Do



See the misalignment between your sales cycle and buyer's journey? This misalignment is costing you **time** and **money** every day in missed sales opportunities, rework, or otherwise wasted efforts.

THE COST OF MISALIGNMENT: IT'S ABOUT THE CUSTOMER, NOT INTERNAL ISSUES (CONT'D)

“I’m not questioning the need to solve challenges between sales and marketing. Not at all. But I’m questioning the way how these challenges are phrased and discussed – very often based on internal issues, not on customer issues. I have learned, that we can be a lot more effective by changing our perspective, by changing the way to think about these sales & marketing challenges in a GoToCustomer way.”

Tamara Schenk,

Research Director, CSO Insights, The Research Division of Miller Heiman Group
“GoToCustomer – Key To Success For Cross-Functional Collaboration – Part 1: Sales & Marketing”



Part Two

IMPROVING CONVERSION

AUDIENCE

SEGMENTATION

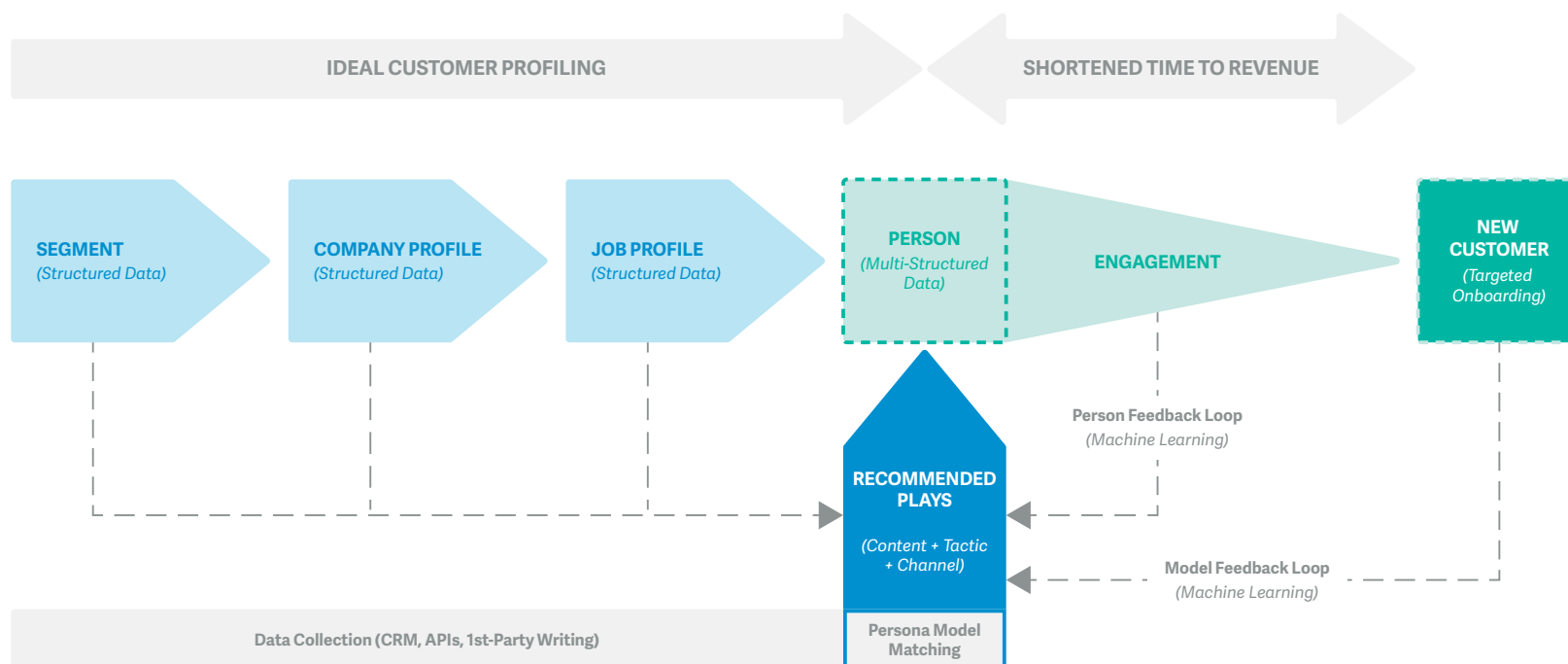
& INSIGHTS

- ➔ The Missing Step: Audience Framework
- ➔ Dedicating Your Time and Resources: Ideal Customer Profiles
- ➔ A Path to Sophisticated Segmentation

THE MISSING STEP: AUDIENCE FRAMEWORK

From Ideal Customer Profiles to Buyer Personas

Many marketing teams have inadvertently handicapped the effectiveness of their marketing and sales activities because they're missing an essential ingredient in the process: audience categorization. An audience framework is a go-to-market blueprint defining market segments, buying centers, buyer personas, sellers and influencers. Creating an audience framework that accurately captures buyer needs is the first—and most critical—step in optimizing B2B personas.



THE MISSING STEP: AUDIENCE FRAMEWORK (CONT'D)

Most of the data and insights available to marketers stops at the account/organization level. Buying centers are a black box, in which essential data is collected and stored, but not readily accessible. In fact, Discover-Org claims it has 40,000 org charts of US companies, but most of them are IT organizations only and the persona data isn't for sale. As more organizations focus on Account Based Marketing (ABM) strategies to complement their content marketing efforts, doing so with only account-level data and no people data is destined to fail. B2B buying is now a team sport, if you can't map the buying center and tailor messaging to the different personas involved in the deal, you are going to fail and no ABM or predictive technology can save you.

To develop research based personas you have to do primary research which is slow, static and expensive and even then most chances you'll end up with some beautiful, non-actionable, wall art like this:



Photo by MailChimp Blog

DEDICATING YOUR TIME AND RESOURCES:

IDEAL CUSTOMER PROFILES

“ If only 1 out of 10 people in your target audience need your solution, you are potentially wasting 90% of your time and money.”



An Ideal Customer Profile (ICP) is a definition of your customer type that you will dedicate your time and resources to acquiring. Use the customer segments you established to build an ICP, or multiple ones. The ICP is something that you will often use, come back to, and modify frequently if you're doing it right.

There are a number of innovative companies with cool products on the market offering tools that can help you create ICPs. Companies like 6Sense, Everstring, Mintigo, and Infer specialize in predictive analytics and identifying ideal customers. However, these technologies have some downsides. In particular:

1. They are expensive
2. They rely on historical data
3. They take several months to roll out and be adopted by sales

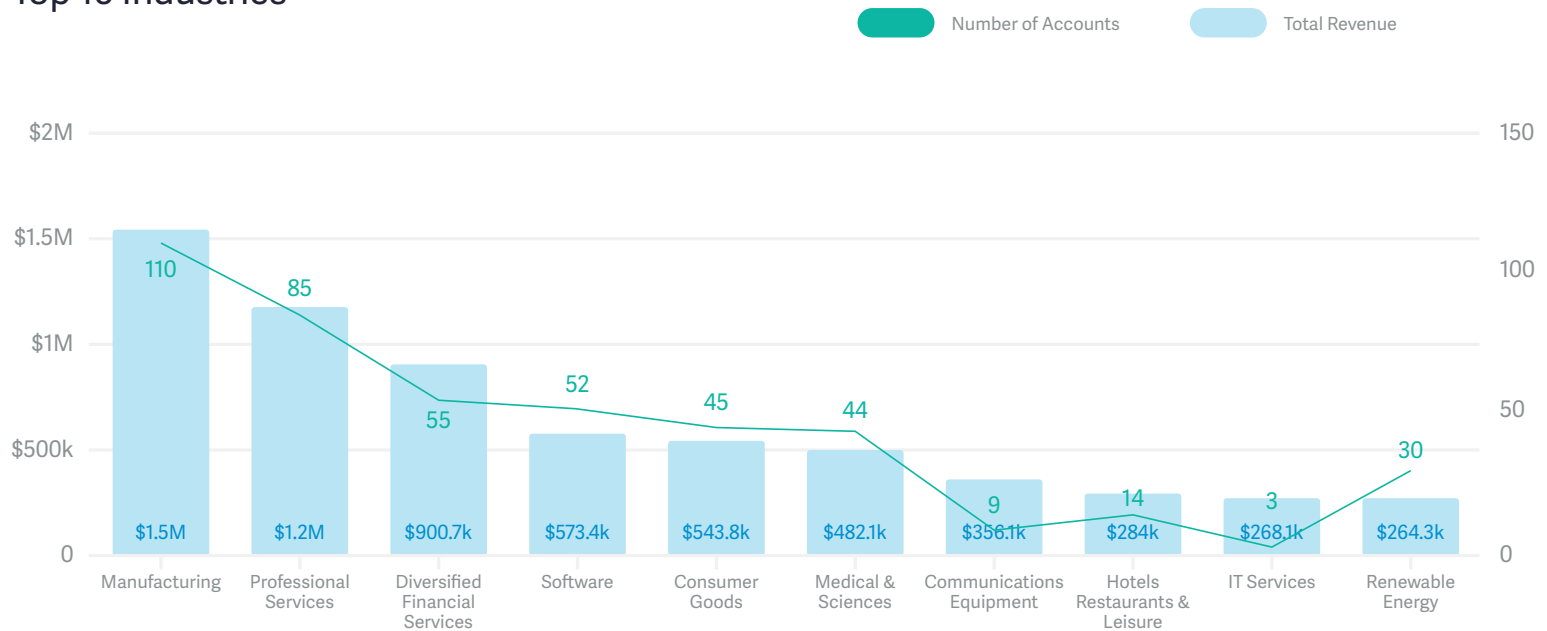
DEDICATING YOUR TIME AND RESOURCES: IDEAL CUSTOMER PROFILES (CONT'D)

An alternative approach is to create simpler ICPs based on enriched CRM data. For example, if you were using Clearbit alone, you'd have access to an over 100 company and person signals with which to create ICPs. I could for example quickly see how many of my customers use Marketo -> if 90% of my revenue comes from Marketo customers, then my ICP includes "has Marketo."

ICPs not only help lead routing and scoring, but they also give you clues as to where to create and distribute content. In the example below more than 80% of revenue is coming from just six industries! I would proportionally invest in content for these six industries.

Here is a simple chart that looks at revenue and number of customers by industry.

Top 10 Industries



SEE THIS CHART WITH YOUR DATA

HOW TO CREATE ICP FOR YOUR ABM CAMPAIGNS

B2B Orchestra with Raviv Turner

Why ideal customer profile or ICP?

We believe that ICP is the foundation of the commerce market. If you don't know your ICP, you can't build your target accounts, ultimately meaning you can't execute marketing campaigns. Watch the video below as Raviv explores how you can develop a great ICP for your business.

IDEAL CUSTOMER PROFILE: HOW TO CREATE ICP FOR YOUR ABM CAMPAIGNS

QUALITATIVE

- 1 ready
- 2 willing
- 3 able
- 4 success potential
- 5 acquisition efficiency
- 6 expansion potential
- 7 customer-driven growth potential

✓ LinkedIn Murphy

QUANTITATIVE

- Internal
- closed-non
- ACV
- Decision Mkt
- Upsell/Cross
- NPS

ICP

Attribute	Description
Segment	Mid-Market
Geo	North America
Industries	IT/SaaS/ B2B services
Technology	SAP, Oracle, Salesforce, etc.
Behaviors	In-house sales ops, ABM campaigns, 75% sales cycle, >\$100k
Motivations	Distribution ability, pipeline influence, revenue KPIs

⇓

TARGET LIST

6:00

[Click to Watch](#)

IDEAL CUSTOMER PROFILE FRAMEWORK

Sixteen Ventures / Lincoln Murphy

Baseline Characteristics: Ready, Willing, Able

Advanced Characteristics: Success Potential, Acquisition Efficiency, Ascension Potential, Customer-Driven Growth Potential

Baseline Characteristics:

1. Ready

- ⊕ Do they have a problem/opportunity to take advantage of?
- ⊕ Do they know they have a problem/opportunity?
- ⊕ Is the problem urgent enough for you to take advantage of?

2. Willing

- ⊕ Are they ready to take action to solve their problem?
- ⊕ Are they exploring options to solve their problem?
- ⊕ Is there a strong catalyst for taking action? (i.e. Bankruptcy, layoffs, mergers and/or acquisition taking place, etc.).

3. Able

- ⊕ Do they have the resource to solve the problem?
- ⊕ Do they have the authority to solve the problem?
- ⊕ Do our selling methods match their buying and procurement processes?

These are the baseline characteristic to determine your ICP. But by adding in the following elements, your ICP becomes even more detailed and specific.

- ⊕ Is there a potential for success?
- ⊕ Acquisition efficiency?
- ⊕ Ascending potential?
- ⊕ Customer-driven growth potential?

Success Potential

If the customers you acquire are a bad-fit for your company - then you are setting yourself up for failure. The idea is to find customers that have potential for success - i.e. stay as customers longer, buy more, invite you into other parts of their company, and advocate for you publicly.

5 Success Potential Inputs:

Technical Fit	Do they have the technical capacity to use our product? If not, are they capable of acquiring it?
Functional Fit	What characteristic does this customer need in order for our business to function with theirs?
Competence Fit	What level of knowledge or expertise must this customer have to be successful?
Experience Fit	Do we have the resources necessary to give the the full experience of working with us?
Cultural Fit	Do they have the beliefs, values and morals that work well with our company culture?

Customer Acquisition Efficiency

This input considers everything from the cost of advertising, marketing, sales, support, on-boarding costs to the costs associated with the customer who didn't come onboard. Is it cost-effective to reach this customer?

- ⊕ How much will advertising cost?
- ⊕ How much will my marketing efforts be?
- ⊕ How large of a sales team but I put together?
- ⊕ How much customer support must i provide?
- ⊕ How much time do I have to dedicate to acquiring customers?
- ⊕ Can we reach them via our existing distribution channels? → If not, then how much will it cost to reach them?

If the cost of acquiring the customer (CAC) is higher than their value, then they may not be your ideal customer. Consider:

- ⊕ Onboarding and support costs
- ⊕ The estimated lifetime of your ideal customers
- ⊕ Buying Cycle/ process of your ideal customer

After you onboard the customer, consider their post-sale value.

Ascension Potential

How can you expand your relationship with your ideal customer once you've been successful with a sale?

Upsell and Cross-sell

- ⊕ Selling the same thing to different parts of the company
- ⊕ Selling different products to the same customers

Customer-Driven Growth Potential

After I've been successful with my ideal customer, how can they aid in the growth of my company?

- ⊕ Word of mouth
- ⊕ Defined Customer Advocacy programs
- ⊕ Testimonials
- ⊕ Referral/Invitation systems

ICPs are then used to deduce who your personas are. For example, if you mostly sell to enterprise IT directors, then categorize what enterprise IT directors care about.

[Read the Entire Sixteen Ventures Article: Ideal Customer Profile Framework](#)

A PATH TO SOPHISTICATED SEGMENTATION

Divide Customers into Specific Groups Based on Similar Needs, Values, and Characteristics.

“96% of B2B marketers say segmentation is the most valuable method for improving conversion rates.”

Quote By:



The common approach to segmentation and personas is broken. It relies on arbitrary categories and pre-determined archetypes that ignore essential data sets outside of interviews and basic secondary research. Segments describe how you divide your business. For example, you can tier your business based on site traffic (Alexa rank), with your enterprise sales team focusing on the top 1,000 sites and the mid-market team aiming toward the top 1,000,000 sites. Other popular examples:

- ⊕ "Named" and "Non-named" accounts in your CRM
- ⊕ By Region of Company HQ
- ⊕ By Number of Employees
- ⊕ By Annual Revenue
- ⊕ By SFDC record type

However, so many companies miss the mark with their segmentation because they rely on incomplete data to build their processes. For example, a head of product marketing created 4 arbitrary categories/segments for his company's products. He identified 20 customers and interviewed them, assigning each one into one of those 4 buckets and calling them "personas." In reality, what he created were just segments and profiles.

This "top-down" approach relies on learning as you go, then building the bigger picture as more information becomes available. But marketing ops can only nurture series for personas based on the information available to them. With this approach, data, inputs, and insights are all significantly limited. Resulting a one size fits all smart lists that can only really be segmented based on a handful of fields like title, company size, or other superficial demographics.

A PATH TO SOPHISTICATED SEGMENTATION (CONT'D)

The Approach

Your goal should be to create mutually exclusive, collectively exhaustive segments. It's a term from business school, it just means that these slices of the pie don't overlap. Everybody in the database has a spot on the pie, and we have a clear view of where people fit in the pie. Clear rules in place that determine. Here are the segments:

- 🕒 Company Profile
- 🕒 Person Profile
- 🕒 Buyer Journey Stage
- 🕒 Persona

A company profile's are things like firmographics: what technologies do they use, which industry are they in, how much funding have they raised, how many employees do they have. There's a ton of firmographic signals available through data partners and APIs. There's no, should never be, a challenge getting this data, as long as you have a website.

Person Profiles

Person profiles are things like demographic attributes: name, location, gender, title, and social accounts. Again, these are very readily available through APIs. There should never be a reason why a B2B company doesn't have at least the title for every email address in their database. This will fill in the white space in our database. What is white space? White space is a blank value in your database. If you're missing a website for an account that is white space. You're missing a title for an individual that is white space. Before you can accurately do ideal customer profile, you're gonna have to fill in all the white space in your database, both demographic and firmographic.



Expert Marketing
Operations Tip w/ Nic Zangre:

Leveraging a Customer Data Warehouse

Nic Zangre, VP MarTech @CaliberMind
Former @AdRoll, @The Pedowitz Group

If you don't have an accessible way to centralize all of your customer data, sales and marketing content your company is wasting thousands of dollars wrangling and preparing data for analysis. Our recommended path is to create a true customer data platform and data warehouse. You can attempt to build this internally, but it takes a lot of time and money to:

- 🕒 Provision an analytical data warehouse like Amazon Redshift
- 🕒 Connect all your SaaS tools such as Marketo, Salesforce.com, Zendesk, etc.
- 🕒 Build and monitor data pipelines from these tools to your data warehouse
- 🕒 Enrich your data to fill in whitespace (leading to a more robust analysis)
- 🕒 Join, Normalize and Query the data to set up dashboards
- 🕒 Set up dashboards and visualization (in a BI tool like Tableau)

A PATH TO SOPHISTICATED SEGMENTATION (CONT'D)

Buyer Journey Stages

This is where on the buyer's journey, between education, selection and awareness at the very top of the funnel. Where is this company at in your buyer journey. How do we know? Well, we're collecting data from your systems. This could be everything from engagement of your visitors and the people in that account, to signals from sales. For instance, did they change the opportunity stage deal, do you have some leads in place that happens when someone gets to a certain place in the buyer's journey. Finally, the holy grail, is to marry all these three together, and then mine the semi-structured data and signals like email, Twitter, chat conversations, and support tickets. All of these are clues that could be analyzed by a machine to determine persona.

Personas

Personas are - within a profile - what are the motivations for that person engaging with your company. For example, a CMO's persona might be to generate more revenue. They have a special mission to generate more revenue so they're searching solutions on the internet that could generate more marketing revenue. Also, it's very important to not overlook the firmographic and demographic attributes. We can't really define a persona if we don't that that person's a CMO and that they are an ICP. More on personas later in the guide.

HOW TO SEGMENT LIKE A B2B ROCKSTAR

B2B Orchestra with Nic Zangre

Why do we do segmentation?

The very first goal of any marketing operation professional, CMO, and even sales is to identify: who in the database we should be engaged with, is this person an ideal fit for my product, and how to talk to this person (or people). Click the on the video below to watch Nic explore the world of B2B segmentation.

GOAL = Mutually Exclusive, Collectively Exhaustive

ENRICH to Fill Your WhiteSpace

- Firmographic**
 - website
 - industry
 - traffic
 - technology
- Demographic**
 - email
 - name
 - location
 - social handles
- Behavior**
 - CRM/MA IDs
 - page visits
 - clicks/opens
 - sign-ups
 - campaigns

Company Profile → Person Profile → Person

6:45 [Click to Watch](#)

CUSTOMER SEGMENTATION: A GUIDE TO BEST B2B PRACTICES

OpenView Partners

Step 1: Setting Up Your Customer Segmentation Project

To determine your best current customer segment, begin by defining the project and planning for it appropriately. To do that, you need to first have a crisp understanding of its Objective, Stakeholders, Scope, and Deliverables.

Step 2: Analyzing Customer Data

Understanding those aspects, develop a formula or set of criteria to measure the attractiveness or value of each customer in your customer base.

Step 3: Data Collection

With the formula in place, build a comprehensive list of ways of using the customer characteristics you have identified to distinctly classify your current customer base by attractiveness.

Step 4: Analysis and Prioritization

After collecting the data, analyze and validate the segmentation hypotheses you have identified. This analysis will require significant data about your current customer base, so you will need to develop a data collection plan and a research process.

Step 5: Presenting and Incorporating Feedback

The last step is to apply the customer quality measurement discussed in the first step to the aggregate customer set in each of the identified segments. Doing so will help to ensure that the customer segment(s) with the best overall customer quality is/are identified.

Read the Entire OpenView Article:

[Customer Segmentation: A Guide to the Best B2B Practices](#)

SUMMARY

The marketer's has always been to achieve user-level 1:1 engagement with prospects and customers. But understanding the myriad buyers in today's B2B sales and marketing environment at such a personal level requires more data and intelligence than most organizations are equipped to handle.

Marketers hoping to gain a competitive advantage must reevaluate the way things have always been done because the approaches and processes, particularly those related to persona development, have resulted in wasted time, content, and effort that can cost a business dearly. Instead, marketers who'll enjoy the most success and deliver the biggest returns for their businesses must embrace a more methodical, data-driven approach to buyer persona development and commit to using high-powered machine learning platforms to aggregate objective data, define the buyer's journey, and continuously refine their models for maximum accuracy.

ACKNOWLEDGEMENTS

[OpenView Partners](#)

[Sixteen Ventures](#)

[IBM](#)

[Act-On](#)

[HubSpot](#)

[DataVail](#)

[Sirius Decisions](#)

RESOURCES

[Customer Segmentation: A Guide to the Best B2B Practices](#)

[Segmenting Technology Markets - Lessons Learned from B2B Leaders](#)

[How to Segment Like a B2B Rockstar:](#)

[B2B Journey Briefing #2 with Nic Zangre](#)

[Sixteen Ventures: Ideal Customer Profile Framework](#)

[How to Create ICP for Your ABM Campaigns:](#)

[B2B Journey Briefing #1 with Raviv Turner](#)

[People Based B2B Marketing](#)

[The Buyer Journey: The Buyer Is In Control](#)

[Customer Story with Robin Caputo, Datavail](#)



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