LEARNING MADE EASY

Account-Based Marketing

for **dummies**®
A Wiley Brand

Identify best-fit accounts and personas

Engage decision makers and influencers on their terms

Accelerate your marketing and sales pipeline

Sangram Vajre

CMO and co-founder of Terminus

Account-Based Marketing

for dummies®

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Account-Based Marketing for dummies®

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by Sangram Vajre

for dummies®
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Account-Based Marketing For Dummies®

Published by: **John Wiley & Sons, Inc.,** 111 River Street, Hoboken, NJ 07030-5774, www.wiley.com

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Published simultaneously in Canada

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Library of Congress Control Number: 2016935142

ISBN 978-1-119-22485-3 (pbk); 978-1-119-22486-0 (epub); 978-1-119-22488-4 (epdf)

Manufactured in the United States of America

10 9 8 7 6 5 4 3 2 1

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Foreword

Nothing makes me happier than seeing the market embrace a good idea that works. For account-based marketing (ABM), that time is now. Why is ABM the new big thing in business-to-business (B2B), especially when it's not really a "new" idea at all? There are a number of reasons why you may be opening this book and starting on the road to ABM. Here are my thoughts on why reading it and deploying ABM will be a smart investment for you.

The first reason that ABM is getting so much attention these days is that marketing and sales leaders have determined that the natural next step in their relationship requires account focus. Marketing has made great strides over the last few years toward building credibility with sales. Unfortunately, the last mile to ideal alignment with sales has eluded marketing, because they've maintained a focus on delivering volumes of leads. What's the problem with that model? If you ask a sales person where growth will come from, he or she will name a list of accounts. Marketing, on the other hand, typically starts talking about personas and segments. Now, with ABM, marketing is speaking the language of sales. Efficient revenue growth requires focus on the specific accounts, and the people in them, who are most likely to deliver that growth. To sales, and now for those who embrace account-based marketing, anything else is a waste of time.

The second reason is the reality of how buyers buy. Marketing and sales finally agree it's no longer a battle for who plays the most critical role in the buying cycle. Instead, common sense and ample research evidence show that marketing and sales together are needed to support buyers on their journey. This requires a balanced strategy, where sales and marketing understand their respective roles and how those need to be coordinated in every stage of buying. ABM is the way to operationalize that strategy as a partnership that's focused on delivering growth.

The third reason for ABM's rise, which Sangram points out in this book, is that *both* sales and marketing have been ignoring the most critical driver of B2B buying: the post-sale customer experience. Fully 71 percent of the reason that B2B buyers choose to buy from a specific company is based on either their own direct experience with a company, or what they hear about the experience others have with the company. This means that the funnel as we know it makes very little sense. The real battle for customer hearts, minds, and investments happens after customers buy. It's essential to balance pre- and post-sale requirements when building an account-based plan, because those non-selling investments in customer success deliver both retention and growth. Marketing's toolkit is essential to both customer acquisition and customer engagement.

The fourth reason is around technology. You may wonder why now there's so much fuss about a marketing concept that has been around for more than a decade. That's a fair question. In the past, ABM had to be executed as a one-to-one, customized approach, with a focus on just a small number of very significant accounts. This custom approach was, and remains, labor-intensive and not the right model for every business. What's changed to support the current wave of ABM adoption is the availability of technology and analytics to make one-to-few (or more than a few) much more realistic, even for small teams with limited budgets. The current wave of ABM is fueled by a data-driven approach to marketing that begins with the identification of ideal companies and contacts to target, and then uses technology to engage with them at scale in useful ways, both pre- and post-sale. The traditional one-to-one model still makes sense, and is successfully used by many companies who commit the resources to do it, but technology has democratized ABM.

If you're reading this book and just getting started with ABM, let me be the first to welcome you to the future of what B2B marketing can be: insight led, technology enabled and, above all, customer focused. Happy reading!

Megan Heuer (`@megheuer`)

Vice President & Group Director, SiriusDecisions

Introduction

Our world is becoming increasingly connected. Today, the modern marketer is an innovator, creating new ways to connect with potential customers that defy the status quo. Technology has given a platform for business-to-business (B2B) marketers to reach customers, but it's a blessing and a curse, because buyers are inundated with thousands of messages every day. This is why it's essential for marketers to identify their best-fit customers before ever creating that first message. By targeting your ideal customers and determining how to engage them on digital channels such as mobile, social media, display advertising, and video, you can connect with your buyers on their own terms. This is called *account-based marketing* (ABM).

B2B marketing and sales teams have been doing ABM as a side project for years, but now it's time to take ABM mainstream by making it a core part of your company's go-to-market strategy. ABM is a program of various marketing activities, not using a particular software product. There are many elements to engaging individual accounts on their terms that go beyond just online or offline conversations. The question to ask is "Are you a B2B company that knows which accounts you want to target?" Focusing your marketing efforts on the best-fit accounts will allow your team to become more efficient and grow sales revenue faster.

In this book, I tell you all about account-based marketing: how it has evolved from traditional lead generation and why you should strongly consider using ABM in your B2B marketing and sales efforts. I show you how to use marketing technology (MarTech) and software to target your best-fit prospects, create contacts that expand into accounts, and engage them through content and marketing activities generating sales velocity to drive new revenue for your company. I discuss how to retain your accounts through customer advocacy, continuously engaging your clients throughout the customer lifecycle (and reducing churn). I will walk through a game plan with real-life examples based on my experience in seeing how more than 100 companies implemented ABM in their go-to-market strategies.

About This Book

This book exists to help you understand this new trend called account-based marketing. Whether you are new to the world of B2B marketing, work as a salesperson for a B2B organization, or you're an experienced CMO, having a strong understanding of account-based marketing is a must. The reason account-based marketing has become such a buzzword in the B2B marketing world is because it solves an issue of how to target and engage your best-fit prospects and customers *at scale*.

I will give you an overview and blueprint of how to do account-based marketing unlike any other publication available on the market. I've laid out this book to give you a foundation of B2B marketing, how account-based marketing takes your efforts to the next level utilizing readily available MarTech solutions, and increase new and existing revenue for your company.

Here are some terms used in this book that you should know:

- ABM is the abbreviation of account-based marketing. I interchange with this across the start of each chapter.
- When possible, I've included the Twitter handles of key people, companies, or technology solutions when possible so you can follow them on social media. Using social media is an essential part of ABM.
- Web addresses and programming code appear in monofont. If you're reading a digital version of this book on a device connected to the internet, you can click the web address to visit that website.

Foolish Assumptions

The most foolish assumption you can make about this book is that you already know all the intricacies about B2B marketing and therefore can do account-based marketing. The basic concepts for account-based marketing are different than the traditional lead-based marketing techniques used in B2B marketing, especially for the sales funnel. With account-based marketing, I literally flip the funnel on its head so B2B marketing teams are no longer concerned with generating tons of leads to pour into the top of the funnel. I show you how to think correctly about account-based marketing so you identify your best-fit contacts, expand those contacts into accounts, and engage them on their terms through digital channels to accelerate pipeline velocity and close deals faster.

If you're a beginner in the field of B2B marketing, I want to encourage you to start reading from the beginning of this book to understand the basics of our industry. The world of B2B marketing is different from business-to-consumer (B2C) marketing, or the world of mass consumer advertising. B2B marketing is about selling your company's products and services to companies who can and want to use what you're selling successfully. B2B and B2C marketing require different activities and tactics, and account-based marketing adds another layer of complexity. However, if you're new to the world of B2B marketing, starting your experience with account-based marketing early will help put you ahead of the curve. Because you aren't used to the old ways of lead-based marketing, you can start your career in B2B marketing as an innovator who already understands the principles of ABM.

If you've already established a career and are experienced in the world of B2B marketing, you can skip around the different chapters of this book. Make use of the information you want to learn to help improve your existing marketing and sales techniques. If you're doing traditional lead-based marketing, which most B2B marketers are, then approach this book as a new way of taking the good data you already have about your customers and prospects and make it work even better using targeted account-based marketing strategies.

Lastly, if you work for a B2B organization that's using a customer relationship management (CRM) software (such as Salesforce), plus a marketing automation tool (such as Marketo, HubSpot, Eloqua, or Pardot), and you have a website and social media, then you *must* read this book. You already have all the tools to do account-based marketing. I will show you how to use these technologies to impact your marketing efforts for increased sales revenue.

If you approach account-based marketing without having an appreciation and understanding of marketing technology solutions such as a CRM, marketing automation system, and digital presence on the web then you will not accomplish your goal as a B2B marketer, which is to help drive business for sales. In the end, you will end up having to hire a consultant who can set up your CRM and create a process for your marketing and sales teams to do account-based marketing, which could potentially cost tens of thousands of dollars. Reading this book will save you time and resources as it will give you the steps to implement account-based marketing strategies: the basic elements of identifying accounts, targeting them using technology, and how to improve your marketing campaigns over time.

The B2B marketing industry has new buzzwords every day. Account-based marketing is more than just a buzzword because it's a proven strategy to make more money for your business. ABM is laser-focused B2B marketing.

Icons Used in This Book

TIP

The Tip icon marks tips and tricks which you can use to make account-based marketing even more successful.

REMEMBER

The Remember icon notes the pieces of information which are especially important to keep in mind. You'll need this information while you read this book, and as you go beyond this book to implement your own account-based marketing campaigns.

WARNING

The Warning icon tells you what not to do (like wasting time in a Dummies book explaining a Warning icon). Seriously though, you should keep an eye out for the Warning icons because I give you useful information which can help you from making mistakes as you do account-based marketing.

TECHNICAL STUFF

The Technical Stuff icon notes where I call out certain technology providers which you will need for ABM. It is also an icon to note where I tell you how to set up data in your CRM, create workflows, and segment lists.

Beyond the Book

I have written extra articles you won't find in the book itself. Go online to find the following

- **Online articles covering additional topics**: `www.dummies.com/extras/account-based-marketing`

  Here you'll find resources such as the ten ways to get started with account-based marketing, building a game plan for your company to switch from lead-based marketing to ABM, and much more.

- **The Cheat Sheet for this book at**

  `www.dummies.com/cheatsheet/account-based-marketing`

  Here you'll find additional articles about the stages of account-based marketing, including how to identify, engage, and accelerate your accounts across all stages of the buyer's journey, creating customer advocates.

Where to Go from Here

I wrote this book with the goal of having you read modularly. You can jump between different parts of this book to find the information you need to be successful with account-based marketing. Use it as a guide to start doing B2B marketing campaigns from scratch, or to take the contacts you already have in your CRM to create accounts and segment into lists to tailor your messaging based on the particular needs of your best-fit customers or personas. Keep it on your desk at the office or where your marketing and sales teams sit so they can have it handy.

If you follow me on Twitter (@sangramvajre) and Tweet a photo of yourself (even a “selfie”) reading this book, then I’ll send you an autographed copy to help share the good news about account-based marketing and how it will revolutionize the B2B marketing world.

1

Getting Started with Account-Based Marketing

IN THIS PART . . .

Understanding ABM and how it's changing the status quo of B2B marketing and sales

Flipping the traditional lead-based funnel on its head for an account-based approach

Unifying marketing and sales for one "smarketing" team to drive more revenue

Leveraging marketing technology (MarTech) to remove manual processes

IN THIS CHAPTER

- **Applying the fundamentals of account-based marketing**
- **Dissecting traditional B2B marketing practices**
- **Getting away from leads and the traditional lead-based funnel**
- **Flipping the funnel for account-based marketing**

Chapter 1

Introducing the Basics of Account-Based Marketing

Account-based marketing (ABM) is a hot topic. `#ABM` and `#FlipMyFunnel` are trending on Twitter. At business-to-business (B2B) marketing events, featured speakers illustrate the value of account-based marketing. If you're unfamiliar with ABM, this chapter shows exactly what account-based marketing is, and how it can change the status quo of how your company measures its success metrics.

This chapter defines account-based marketing, and shows why ABM is such a powerful movement in the B2B marketing industry. I list the major reasons why companies need to implement account-based marketing, and how you flip the traditional B2B sales and marketing funnel. Instead of collecting tons of leads at the top of the funnel, I describe how to quickly identify your best-fit customers, then convert these prospects into your accounts for targeted marketing.

Defining Account-Based Marketing

The essential definition of account-based marketing is *focused* B2B marketing. The term *account-based marketing* isn't new. Identifying and targeting key accounts has always been a best practice for B2B marketing and sales teams. What's different today about account-based marketing is that improved technology gives marketing teams the tools for account-based marketing *at scale.*

REMEMBER

Scale means the ability to reach the right contacts instead of either blasting emails to the thousands of people in your database or manually reaching out to each individual prospect.

Account-based marketing is about identifying your best-fit prospects, then focusing all your efforts on engaging these prospects on their own terms. For B2B marketing, this is essential, as it's the most efficient way to use your time, energy, and resources. You target businesses that are most likely to buy from your company. This is very different from old-fashioned B2B marketing.

Pouring leads into the funnel

The forecasting model that is used by B2B marketing and sales professionals to monitor potential new revenue is the *sales pipeline.* The pipeline is commonly referred to as the *funnel.*

The traditional B2B marketing and sales funnel tracks the various stages of a revenue opportunity as it moves through the sales process. The pipeline itself is named from the funnel. A lead became an opportunity as it progressed through the funnel, or pipeline, where it eventually became a closed deal. Marketing and sales teams are familiar with the CEO or President examining all of the opportunities in the sales pipeline. This is why marketing has been focused on pouring leads into the top of the funnel. New leads were acquired through purchasing lists, advertising, sending emails with content, and a variety of marketing efforts. When more leads came in, more potential deals entered the pipeline. Figure 1-1 illustrates the traditional B2B sales funnel.

From beginning to end, your prospect moves through a few predictable stages in this funnel. These are the stages of the traditional B2B buyer's journey:

1. **Awareness:** A potential new customer hears about your company's product or service.

   This potential client is called a *prospect*, or *lead.* Leads are the most common metric that B2B marketers use to measure the success of their marketing activities and programs. In the Awareness stage, marketers pour leads into the top of the funnel to identify any and all prospects who want to learn about your product or service.

2. **Interest:** A lead becomes a marketing qualified lead (MQL).

   The marketing team examines the lead's title, company information, and other attributes to determine whether this prospect should be forwarded to sales. If the lead becomes an MQL, then it's time to start engaging the prospect at a deeper level. The lead is passed on to sales, becoming a sales accepted lead (SAL). Now, the salesperson engages in a series of calls and emails to engage the SAL in an in-depth conversation or discovery call. In the discovery call, the salesperson learns more about the issues or pain points the SAL is experiencing. During the call, if your salesperson and SAL agree that there is a potential opportunity to do business, the SAL becomes a sales qualified lead (SQL).

3. **Consideration:** The time when your SQL becomes an opportunity.

   Often, this stage is the breaking point for a lead. Your SQL is getting more people from his or her company involved. In B2B purchases, the decision rarely is left to a single decision maker. Your original lead, or champion, probably must persuade his or her internal stakeholders that they should purchase your product or service. This is when you negotiate with your potential new customer. At the Consideration stage, the marketing and sales teams must work in alignment to provide content that can overcome objections. The more handholding your team does during this stage of the traditional funnel, the more likely that a deal closes. Advancing a deal through Consideration always is an uphill battle for B2B sales.

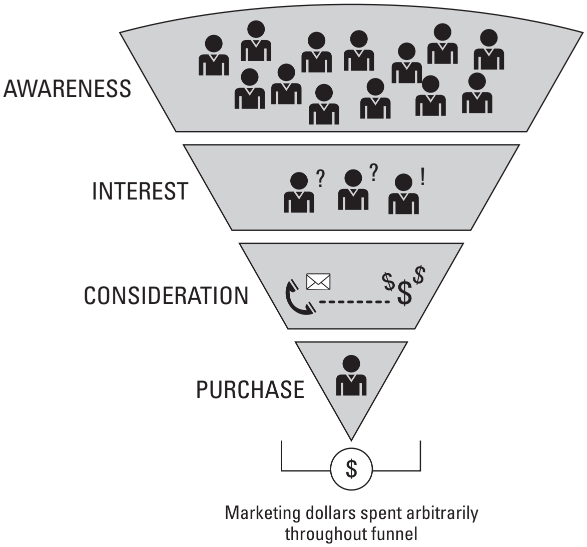

FIGURE 1-1: The stages of the traditional B2B funnel.

4. **Purchase:** The final stage of the traditional B2B marketing and sales funnel ends with a decision.

   Your prospect has progressed from an MQL, SAL, or SQL to opportunity. Now, the opportunity either chooses your company, chooses another competitor's products or services, or abandons the purchase. Your business either has won the deal, or wasted a lot of time and energy on the sales process.

Moving away from lead-based marketing

Working in B2B marketing is tough. According to Forrester Research, only 0.75 percent of leads become closed revenue. If you can induce a lead to purchase, you deserve praise for making it to the bottom of the funnel. Your team hustles all quarter to pour leads into the funnel. However, sometimes it doesn't generate revenue, because not all of the leads marketing generates become sales opportunities.

REMEMBER

Not all leads are created equal.

The biggest problem with the traditional funnel is that leads fall out as they move through these stages. Only a small percentage of the leads collected at the top of the funnel in Awareness will make it all the way to Purchase at the bottom, which is why the traditional sales funnel looks like an upside-down triangle. With the traditional funnel, four major problems can cause lead-based marketing efforts to fail:

- **The funnel isn't optimized for B2B marketing**. Because the traditional funnel comes from a sales process, it isn't optimized for marketing. Also, the traditional funnel is designed for a single customer, and isn't optimized for multiple decision makers. This model is better attuned for a B2C process, where the stages are well known, there are quick cycles, and the progression is very linear. If fewer than 1 percent of your leads ever become closed deals, the other 99 percent of leads are a huge waste of your time and resources. B2B marketers have to think differently about what's generating revenue, and focus on those efforts.
- **Marketing is focused on acquiring leads instead of accounts.** The VP of Sales or the CEO says, "Our company needs to double revenue!" In the past, that's when the marketing executive tells the team to crank up demand generation so they can double the amount of leads, adding more to the top of the funnel *and* closing more revenue. Sadly, at the end of the quarter, the marketing team will have decreased cost per lead (CPL) and increased leads, but they won't have increased revenue produced.

- **Lead volume is more important than precise targeting.** With lead-based marketing, it's easy to look at your conversion rate and decide that you need to add more leads to the funnel to close more revenue. That isn't exactly the answer.
- **A linear path is assumed for all customers' journeys.** When you're looking at the traditional funnel, it looks like logical steps in a progression, which isn't always the case for a customer journey, No prospect wakes up and says "I've got to solve this problem today." For the Awareness stage, your marketing team created content that answers that problem and blasted it everywhere, hoping to find people who need this problem solved. That's another reason why lead-based marketing fails: You're putting your message in front of people who aren't trying to solve this problem.

FLIP THE FUNNEL, ACCORDING TO JOSEPH JAFFE

Joseph Jaffe is the author of *Flip The Funnel,* and several other books. He enlightens the B2B industry on the fact that marketers spend their marketing dollars and resources on the wrong area of the business. "If 80 percent of your revenue comes from repeat business, then why are you spending less than 20 percent on the 80 percent revenue contribution? What we see in the marketing world is this constant obsession with acquisition."

Jaffe challenges marketers to view retention as the new acquisition by focusing on customer advocacy programs to acquire new customers through existing customers. "At the end of the day when you think about it, the real magic is the magic between a company and its customer base. It's not your grandfather's customer service. It's about customer service 2.0, where we are super-consumers, promoters, and influencers."

According to Jaffe, marketers should be thinking about the migration from the voice of the customer to the brain of the customer. He said the customer's voice is linked to innovation and the research and development of a company. By hearing the ideas and suggestions of your customers, this helps evolve the company's offering to suit the needs of your customers.

Jaffe estimates that the cost of acquiring a new customer through an existing one is about one-third of the cost of other acquisition methods. Therefore, marketers *shouldn't* spend their time, energy, or money by blasting out their message to acquire as many leads as possible. The moral of his story? *Don't buy attention, pay attention.* Focus on your customers and give them an incredible experience. Their good references and word-of-mouth referrals will drive new clients to your company.

But what if your company flipped this funnel, so that your customers are at the top and the channels you're targeting are second? Instead of asking which technologies and channels you should use to target your buyers, you should ask "Which customers?"

Flipping the Funnel

In 2006, renowned author Seth Godin wrote about flipping the funnel to give your fans a "megaphone." Through the rise of the Internet, your customers can voice their opinions more loudly than ever before, and they will get louder. Your marketing and sales team also can flip the funnel with account-based marketing. Figure 1-2 shows how we flip the funnel.

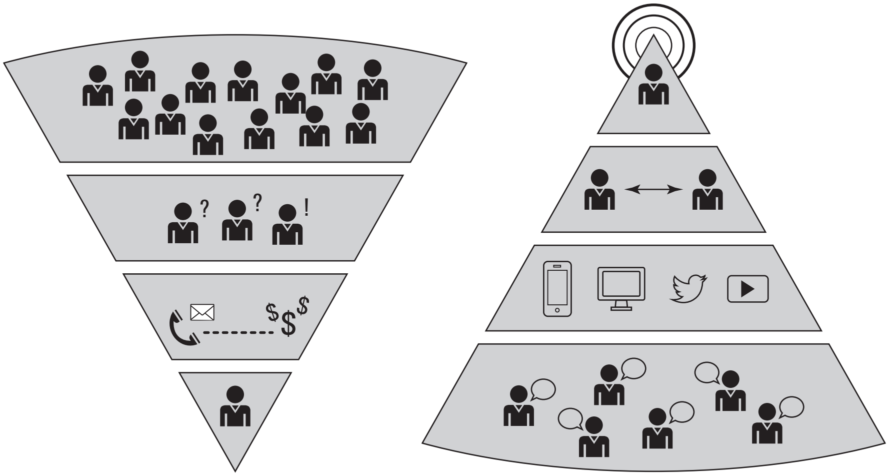

FIGURE 1-2: Comparing the lead-based and account-based funnels.

The traditional lead-based sales and marketing funnel has been turned into a cone by using account-based marketing. The tip of the cone is your initial lead. This lead becomes your first *contact* and is then developed into an *account.* That's how account-based marketing got its name. You're identifying the accounts you want to engage, then strategically marketing to each contact in the account. Throughout this book, I discuss all levels of account-based marketing, and I show you how to use technology for marketing to these contacts.

There are four stages of account-based marketing: *Identify, Expand, Engage* and *Advocate.* The four stages of account-based marketing apply different processes and components of technology. By using technology, you can implement account-based marketing. Figure 1-3 shows the stages of account-based marketing.

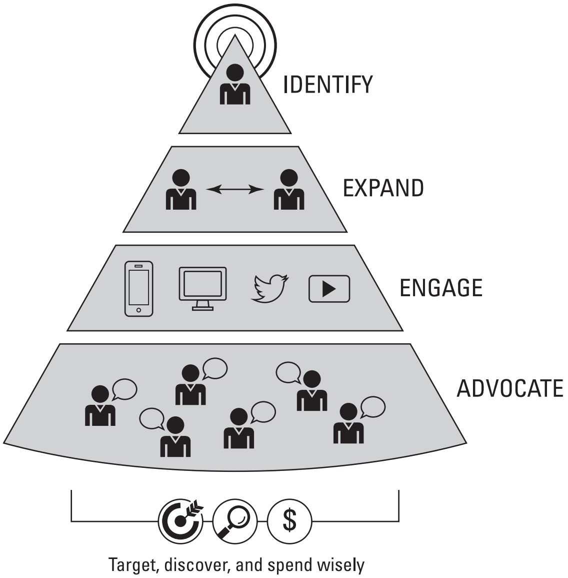

FIGURE 1-3: Examining the stages of the account-based marketing funnel.

I cover each of the four stages in detail in each of the parts of this book. Part 2 shows how to identify your contacts. Part 3 shows how to expand contacts into accounts. Part 4 shows how to engage accounts. Part 5 shows how to turn accounts into your customer advocates. Part 6 provides the metrics to determine whether your account-based marketing activities are successful. Part 7 has additional resources and tools for account-based marketing.

In the rest of this chapter, I provide a high-level overview of each of the four stages.

Identifying your best-fit contacts

The first step of account-based marketing is to *identify*. With traditional lead-based marketing, your marketing team focused on feeding as many leads as possible in the top of the funnel. With the account-based marketing funnel, you start the sales process by focusing on a single point of contact. You target your best-fit lead and create a contact. This contact potentially is a good fit for your business. You determine whether they're a good fit by using a set of criteria. This set of criteria aligns with your *ideal customer profile*. After you have determined that this contact meets your ideal customer profile, you begin the process of turning the contact into a full account.

TIP

Would you rather go fishing with a net or a fish-finder? Knowing where trout congregate in a stream is a first step toward catching the exact type of fish that you want, but how much easier is your job with a fish finder? Not only can you see where the fish are located, you also get more insight into the size of the fish.

Think of account-based marketing as your fish finder, so you can reel in the biggest fish.

Expanding contacts into accounts

The second stage of account-based marketing is to *expand*. This involves expanding your contact into an account. After the account is created, you further expand the account by adding more contacts. Your ideal customer profile is the type of company (the *account*) you want to work with. Within those accounts, there are *contacts* (the people who will use your product or service).

WARNING

Often, expanding is the toughest stage for marketers who are used to traditional lead-based marketing. With lead-based marketing, you're starting big at the top of the funnel, then slimming down the leads through different stages of qualification. Switching from lead-based marketing to account-based marketing requires a fundamental shift in the mindset of an organization.

Engaging accounts on their terms

The third stage of account-based marketing is to *engage.* Engagement is where your content and channels come to life. This stage is by far the broadest, because there are so many ways to engage with your prospects. Engagement often is where marketers become scientists. They test different types of content to find which types resonate with specific types of contacts and accounts.

Using personalized marketing, your marketing and sales teams engage all of the contacts within an account. You target your marketing messages to your best-fit customers on the channels where your ads are most likely to be seen, whether that's social media, display advertising, video, or mobile. This creates more energy to close deals sooner.

Engagement is the broadest stage of account-based marketing, because there are so many ways to engage with your prospects. Think about email, webinars, ebooks, targeted ads, videos, events, and any programmatic or automated ways you use to get in front of your target audience (target audience is the key phrase).

While this is the first step in the traditional funnel, the flipped funnel waits until you've identified key accounts before developing the targeted content needed for engagement. This gives sales and marketing the opportunity to dive deeper and understand the motivations, pain points, and demographics of each account.

Here's an example: A healthcare company is actively targeting enterprise employers in the San Francisco area. With a list of employers in hand, the healthcare company can both target specific leads with which they may have already engaged, and automatically present personalized ads to other decision makers in those accounts on the same channels that they're already using. This increases the reach within those accounts and makes it more likely that those contacts will already have been exposed to marketing messaging by the time the sales team is actively reaching out. The key here is to present marketing messages on the buyer's schedule, not on yours. This is a huge differentiator between traditional and account-based marketing. This outreach is called *engagement*.

TIP

Your sales reps are on the front lines, so they're a valuable source of information about your prospects. Ask your sales team what's going on with each of your target accounts. What are the pain points of these specific accounts? Which decision makers are you trying to reach? Which features of your product are most important to buyers?

Creating customer advocates

The final stage of account-based marketing is *advocate.* This is when your accounts are customers. Your new goal is to turn your customers into raving fans of your business. This is the creation of customer advocates. Customer word-of-mouth marketing through referrals, reviews, and talking to their peers is the most organic and impactful type of marketing.

Traditional B2B marketing lacks alignment between the marketing, sales, and customer success teams. In this book, I show you how to work with your entire company to continue your account-based marketing efforts beyond the buyer journey and throughout the customer lifecycle.