

THE IMPORTANCE OF FIRMOGRAPHICS FOR B2B MARKETING

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[Marketing segmentation](#) is a crucial process for B2B marketers hoping to reach their target markets and to ensure that campaigns and their messaging are effective in driving leads and ultimately, sales.

Most B2B market segmentation strategies focus on common segmentation practices such as [demographics](#) and geographic segmentation that centre on static variables. However, to guarantee higher levels of accurate personalisation, multiple segmentation methods should be implemented to gain a detailed understanding of prospects.

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What are firmographics?

One method of [market segmentation](#) that is often neglected is firmographics. Firmographic market segmentation serves to assist marketers to identify businesses that have the potential to become valuable clients. Using several variables and the correct strategy, marketers can leverage firmographic data to determine optimal targets for a personalised campaign.

7 essential factors of firmographic segmentation

Firmographic segmentation is informed by a multitude of variables that help marketers to determine target organisations for their campaigns.

These segmentation variables focus on various aspects of companies such as their status, buying power, and infrastructure. From this, marketers are better equipped to evaluate each company's needs and fit for their services.

1. Industry

Firmographic segmentation by industry is based on an organisation's primary activities, the services they provide, and products that they themselves create and offer to their clients.

Determining the industry of companies within target markets may seem rudimentary, however, knowledge of which industry target companies are positioned in can be instrumental. Industry can indicate which companies are appropriate for specific product campaigns, as based on their industries, companies will be searching for different solutions.



This allows marketers to [implement effective content marketing](#) and ensure that the content being distributed to each target company is aligned with their industry-specific needs.

Segmenting based on industry allows for B2B marketers to avoid wasted budget targeting every company in an industry vertical with the same campaigns. It also filters out organisations that have no use for their product, and therefore, no interest in making a purchase.

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2. Company size

Annual revenue:

Assessing the revenue of prospective clients is essential to ensuring marketing is targeted at companies that have the capability to afford the products and services on offer. This helps marketers prioritise companies and accounts more likely to be ready to buy and that warrant an investment of time and money pursuing.



Information on annual revenue can also be leveraged to inform pricing strategies and the creation of multiple versions of products and services, as well as packages, with different pricing.

Marketers can also use this data to make decisions regarding discounts or keeping products at full price. An understanding of revenue can also be used to identify companies that would benefit the most from purchasing a product and which one would be most beneficial in growing their revenue.

Number of employees:

This combined with a clear understanding of annual revenue serves to indicate a company's size. The number of employees each organisation has is a useful indicator not only of its current position but also of its overall size. The location of their workforce is also insightful and can help to determine a company's status as a local business or multinational organisation.

This in turn not only identifies the reach of a company but also informs the targeting of marketing strategies. Large global enterprises based in multiple countries with distributed workforces will likely respond differently to campaigns than a smaller local business and as such, campaigns should be adjusted accordingly.



3. Location

Location is typically considered as a geographic segmentation method. However, location is an integral aspect of firmographics and focuses specifically on the influence of various variables that may affect the decisions made by an organisation:

 **Continent**

 **Climate**

 **City**

 **Country**

 **Culture**



Determining the location of a target company can be influential in understanding their business, needs, and problems they may possibly be facing. For example, if a company is international and based across multiple locations, it may be searching for different solutions than a smaller local company.

In this way, the location of a company serves as another method of firmographic segmentation that informs the personalisation and optimisation of marketing and sales strategies.



4. Sales cycle stage

Determining a prospective client's position in the sales cycle is integral to guiding communication and [ensuring that content is relevant](#) to their needs.

Nurturing at all stages of the funnel is an essential part of ensuring high conversion rates and positive ROI. As such, it is imperative to provide the right content at the correct frequency that informs and appeals to prospective clients by helping them reach their goals.

Ascertaining the sales cycle stage of each target company is also useful for developing campaigns and [capitalising on prospects who are further down the funnel](#). This allows sales teams to send out informed and personalised outreach that is boosted with content relevant to each prospect's sales cycle stage.

Segmentation by sales cycle stage is therefore instrumental in streamlining outbound and inbound marketing creation as well as sales processes and cadences that can be calibrated to effectively resonate with target segments.



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5. Status

Identifying the status of an organisation can be very informative for sales, advertising, and marketing strategies. Status can signify the structure of an organisation in relation to other businesses, but most commonly refers to the legal status of a company.

Organisations can be classified as:

- An individual firm
- A Partnership
- A Limited Liability Corporation (LLC)
- A Privately held company
- A Public Limited Company (PLC)
- A Sole proprietorship



Much like identifying which industry prospects belong to, defining a target organisation in this manner allows for accurate targeting of campaigns. The status of a business can indicate which organisations stand to benefit the most from specific products or services and therefore, which present the greatest opportunities and are worth pursuing.



6. Performance over time

Firmographic segmentation can be used to group organisations based on their performance over a predetermined amount of time and can be categorised by examining a few key variables.

Performance variables for firmographic segmentation include:

- Rates of growth and/or decline
- Profits and losses
- Length of company existence
- Employee growth



Performance is a central aspect of firmographic segmentation as it serves to inform and adjust groupings previously established with company size or industry.

Tracking the performance of organisations over time allows for marketers to properly segment target markets into detailed groups. Companies that may normally be successful, are often prone to a decline in revenue and business in general.

As such, organisations having difficulties or going through a difficult period may be in need of different solutions than others. Not only can this inform product creation, but it can also help marketers identify key windows when companies are likely to be open to making a purchase.

This can allow for the effect of campaigns to be maximised by targeting organisations that are already searching for solutions.

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7. Job & executive titles

Whilst static job titles alone are not effective in segmenting prospects within a company, they can provide marketers with a solid starting point for campaigns. Detailed information on job function and job levels within a company can reveal its structure and guide personalisation strategies for appealing to specific departments within a business.

Firmographic segmentation can be guided by specific job or executive titles within an organisation. Executive titles are an instrumental aspect of firmographic segmentation as they focus on an individual or specialised group within a business, rather than the company as a whole.

Knowledge of executive titles within a target group can not only aid segmentation but also allow for marketing and sales efforts to be focused and optimised for appealing to the key decision makers within a company.

Calibrating campaigns with specific job titles can aid [account-based marketing \(ABM\) strategies](#), especially when combined with other segmentation methods such as [psychographics](#) to inform targeted and personalised campaigns. Executive titles can also serve as a starting point for buyer personas that can later be adapted and perfected with other data to further segment leads and customise strategies.

However, job titles in the B2B world can often be misleading and are not always representative of the actual role being performed or the buying and decision-making power an individual may have.

As such, segmentation of this kind should be informed by additional information and continuously adapted to ensure accuracy.



SUMMARY: BENEFITS OF FIRMOGRAPHIC SEGMENTATION

Detailed segmentation can be incredibly insightful for the personalization of campaigns and improving their effectiveness with a detailed understanding of prospective clients.

Firmographic segmentation can also be instrumental in identifying new gaps in target markets. This can be used to focus and optimise new campaigns to take advantage of and appeal to “untouched” prospects with specific needs that are not being fulfilled.

New target markets also serve as a learning tool for how previous campaigns can be improved upon to increase their influence in the future and reach different target segments.

As a result of firmographic segmentation, the effect of marketing content and strategies can be compounded with personalisation. Due to the granular nature of firmographic information, sales teams can adapt their strategies to appeal to target segments by addressing and providing solutions to specific pain points.

Firmographics can also be used to create sales materials that appeal to target groups and determine case studies and results that can be of interest to different segments.

Effective firmographic market segmentation can provide marketers with valuable information and insights that can be utilised to optimise and increase the ROI of marketing and sales campaigns.

Our team of dedicated in-house demand generation experts works with clients to develop precision strategies specific to their target markets and the segments within.

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