

Gleansight

Lead Nurturing

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Every salesperson knows that leads can go cold very quickly. They also know the challenge of trying to follow up on every lead in a timely manner. No matter how hard you try, some leads are going to fall through the cracks. Sales reps are incentivized to focus on short-term revenue and are always trying to determine which leads are most likely to close the fastest. However, some leads present real opportunities for converting to sales but aren't quite ready to buy and require a longer process. Why let these good leads go to waste? If marketing could "nurture" all leads until they were fully mature and ready to



close and then, only when they are ripe and ready, hand them off to sales for closure, the sales group's time and efforts would be maximized.

Lead nurturing promises to do just that, by engaging prospects early in the buying cycle and automating engagement at a pace that the prospect controls. Prospects get the information they want but nothing more (i.e., no sales pitch) until they're ready to make a buying decision. At that point, the prospect turns into a "sales-ready lead" and is forwarded to the sales department. This Gleansight explores the processes for determining which leads are sales ready (versus those that should be funneled through the nurture process) as well as the technologies, organizational resources and performance metrics that Top Performers are using to make lead nurturing a done deal.

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Survey Stats

The research findings featured in this Gleansight benchmark report are derived from the Q3 2010 Gleanster “Lead Nurturing” survey.

- Total survey responses: 324
- Qualified survey responses: 279
- Company size: Very Small (12%); Small (36%); Medium (26%); Large (21%); Very Large (5%)
- Geography: North America (69%); Europe (16%); Other (15%)
- Industries: Software and Hardware (45%); Financial Services (15%); Other High Tech (13%); Other (27%)
- Job levels: C-level (5%); SVP/VP (15%); Director (25%); Manager & Staff (55%)

Sample survey respondents:

- Marketing Director, Logitech
- Vice President, Ingersoll-Rand
- Marketing Director, SimplexGrinnell
- Manager, American Express
- Marketing Director, Oracle
- Director, Kronos
- Manager, TransAct
- Director, Cisco
- Manager, Tetra Pak
- Vice President, Xerox

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Part 1: Topic Overview

For most people, the word *nurture* conjures up images of coddled babies, pampered pets and well-tended plants. It is not a word that one generally finds in the lexicon of technology-enabled business initiatives, which is dominated by words that tend to be less “soft and feely” and instead have more of a mechanical association (*leverage, automate, optimize, etc.*). Yet *lead nurturing* has been widely adopted in recent years by solution providers and industry practitioners alike to describe the topic at hand. And, in many ways, the term is a perfect fit.

Consider the definition of the word *nurture*. It can be used to mean the environmental factors that partly determine the structure of an organism. It can also be used to mean the act or process of promoting the development of an organism.

For most marketing and sales executives, it’s not a stretch to imagine a qualified lead that just entered the sales pipeline as a living, breathing thing that is both the product of its environment (e.g., what was the source of the lead and what was the context in which it was acquired?) and one that also

requires a great deal of care and attention in order for it to ultimately reach its full potential (i.e., become a new client for the company).

More to the point, lead nurturing is a technique for building campaigns that interact with customers across multiple touch points. Nurture campaigns progressively move prospects through a series of relevant content stages that map to the prospect’s buying cycle. Leads mature from awareness to a sales-ready stage through an automated system. Typically, lead nurturing is applied to the pre-sales process as a multi-step communication between a potential prospect and a seller.

To illustrate: Imagine you are standing in a room of 500 people. Within the group are 10 prospects who are ready to buy. But which 10 and how do you find them? You spend the evening trying to meet as many

people as possible and to qualify everyone you meet with questions and conversation points. When you get back to your office, you flip over the business cards you collected to decipher notes you scribbled on the back, and start writing follow-up letters.

Sound familiar? Without a methodical system for qualifying, processing and closing leads, going after prospects is a shot in the dark. Now imagine you are back in the same room with your head three feet above the crowd. The 10 people who are ready to buy are all wearing the same red hats, and so are easy to spot. Written on the top of each hat is the person’s

chief challenge or need. You focus only on these 10 people and address each need individually. By the end of the night, you have begun targeted, relevant relationships with all of them. That’s the value of lead nurturing.

Lead nurturing engages prospects in highly relevant, personalized interactions, based on prospect behavior. By nurturing leads individually, companies can increase revenue by maintaining relationships with potential customers who are not yet ready to buy in the short-term. In this way, companies can increase sales productivity by reducing the time sales reps spend cultivating prospects. They can educate and influence potential customers about products and solutions. And they can establish a brand reputation as a trusted advisor and a valuable source of thought leadership.

“Lead nurturing engages prospects in highly relevant, personalized interactions, based on prospect behavior.”

Benchmark KPIs

Gleanster uses 2-3 key performance indicators (KPIs) to distinguish “Top Performers” from all other companies (“Everyone Else”) within a given data set, thereby establishing a basis for benchmarking best practices. By definition, Top Performers are comprised of the top quartile of qualified survey respondents (QSRs).

The KPIs used for distinguishing Top Performers focus on performance metrics that speak to year-over-year improvement in relevant, measurable areas. Not all KPIs are weighted equally.

The KPIs used for this Gleanstight are:

- Change in revenue
- Change in sales pipeline
- Lead-to-sale conversion rate

To learn more about Gleanster’s research methodology, please click [here](#) or email research@gleanster.com.

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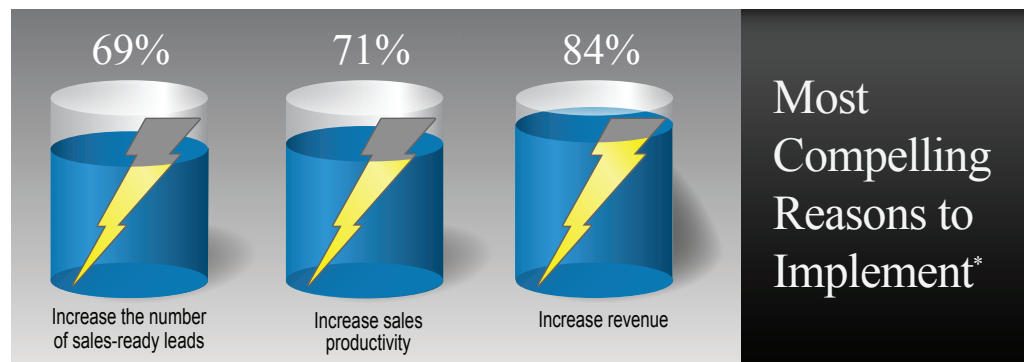
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Part 2: Reasons to Implement

Gleanster research findings show that, not surprisingly, Top Performers view the promise of increased revenue and sales productivity as top reasons to invest in lead nurturing. But these aren’t the only reasons. Improving collaboration, reducing marketing spend and increasing customer profitability are also seen as large potential benefits.



* According to Top Performers, based on 279 Qualified Survey Responses to the Q3 2010 Gleanster survey on Lead Nurturing

Increase revenue. Creating a dynamic nurturing program for leads can provide significantly higher return on investment than standard new-customer acquisition campaigns. Lead nurturing marketing ensures that the sales team focuses on leads that are ready to close, providing maximum revenue performance for every lead received. At the same time, it allows marketing to cultivate longer-term opportunities, resulting in higher overall revenue from qualified prospects that would otherwise fall through the cracks or be lost to competitors. It also allows sales to more accurately manage pipeline cycles and predict close rates based on historical conversions. Companies that proactively nurture their leads before moving them to sales generate more revenue by closing more leads and reducing cost-per-lead.

Increase sales productivity. A typical, manually-driven sales approach leaves salespeople chasing down dozens of leads at a time, many of which can turn out to be unproductive dead ends. Lead nurturing prioritizes prospects so that salespeople are working on the hottest leads at all times and maximizing the full potential of the opportunities in their sales pipeline. By engaging customers with relevant content in real-time across multiple channels, lead nurturing increases conversions and sales performance. To increase sales productivity, look for processes for delivering information content within your sales and marketing cycle that can be automated.

Increase the number of sales-ready leads.

Automated lead nurturing delivers more qualified leads to sales with much less effort than pure customer-acquisition campaigns. By mapping content to the appropriate buying stages, sales has a better idea of the path that each prospect took to get to the buying stage, what their unique needs are, and how to meet and exceed them in a timely manner. Increasing the number of sales-ready leads also increases the number of leads closed and the value of those conversions.

Increase marketing effectiveness. Lead nurturing consists of a series of triggers that release predetermined messages or information based on prospect behavior, such as signing up, making a purchase, abandoning a shopping cart, or calling customer service. Monthly statements and invoices, packing slips and permission-based weekly or monthly emails are also great opportunities for adding targeted messages. These methods are timely, highly relevant and targeted to each individual or prospect’s specific needs, and more effective than mass messaging.

Increase collaboration between marketing and sales. Tight collaboration between marketing and sales can improve ROI anywhere from 5% to 15%. To achieve improvement, the two departments must first agree on a common terminology for critical terms such as a lead, a prospect, and what determines that a lead is qualified; create a model for identifying qualified leads, then define the threshold

“Automated lead management allowed us to take a more sophisticated approach and segment leads as they come in. We take different actions based on the quality of the lead, so we don’t waste sales time focusing on lower value prospects.”

Jim Kemp, Marketing Manager, ColombiaSoft

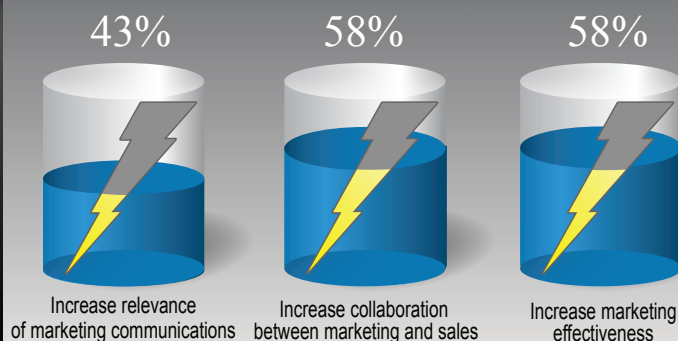
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Compelling Reasons to Implement*



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point at which leads get passed from marketing to sales. After this, study the projected number of leads and determine whether rules and processes need to be adjusted to increase or decrease the projected number of leads.

Increase the relevance of marketing communications. Utilize existing customer data to customize messages and information, both for retention efforts and for predictive modeling purposes to locate prospects who mimic existing good customers. If certain types of information are missing, find a way to collect it with a promotion offer or a survey. By requesting opt-in, new customers will willingly receive information from companies they are actively doing business with and are more likely to give personal information, as well. Using existing data to determine trends, issues and challenges to focus content, increasing the relevance of messaging. This will result in higher opens, clickthroughs and conversions.

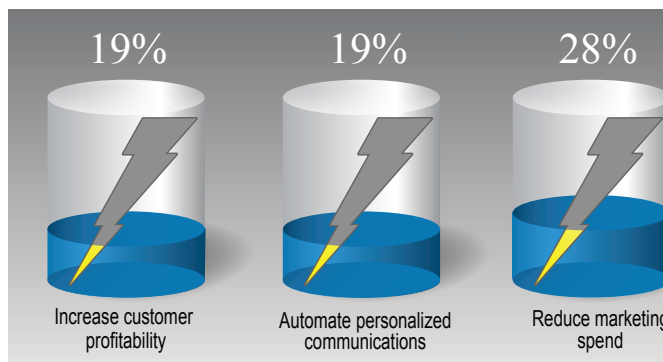
Reduce marketing spend. Lead nurturing reduces both cost-per-lead and overall marketing spend through the use of automated content that is mapped directly to a customer’s buying process. Serving only the content that matches a prospect’s need at a given point in time—and improving that content as your prospect moves through the funnel—will maximize every connection and minimize marketing spend. In addition, collecting

data about prospects’ behaviors will yield insights that will help increase efficiency and improve marketing effectiveness.

Automate personalized communications.

Using a marketing automation solution to deliver messages will drive lead nurturing through a turnkey program that maximizes relevancy and targeting. It will also automatically score leads to determine the phase a lead is at, including which leads are hottest and which leads are cold and of no value. Remember that lead nurturing is a process, not a single event. Communications that grow and cultivate leads contain a consistent feel and progression that help move prospects through the funnel and across the different phases of their unique buying cycle. An automated system maintains that consistency.

Increase customer profitability. By educating and informing prospects at each stage of the funnel, they are automatically being engaged in the brand in deeper ways, without being pressured to buy. As they continue to move through the funnel, trust is built and their likelihood to close when they are ready increases. These leads are highly prequalified and are likely to be retained at the same length of time and at the same profitability level as valuable customers. Also, the fact that they were not drawn in through discounts or premiums will add to their overall profitability.



Less Compelling Reasons to Implement*

*According to Top Performers, based on 279 Qualified Survey Responses to the Q3 2010 Gleanster survey on Lead Nurturing

Core Technologies

Lead nurturing is a technique, not a technology. However, the level of sophistication — and success — of a lead nurturing campaign is largely a function of the capabilities enabled by a set of core technologies. These technologies include the following:

Email Marketing. Over 80% of Top Performers utilize email marketing for outbound customer engagement. Email provides a vehicle for linking other channels including the web, events, and social media. There are two lead nurturing techniques for delivering email campaigns; drip-marketing (where a series of emails are delivered based on pre-determine time intervals) and trigger-marketing (where emails engagement is triggered by prospect behavior- for example a click-through on a prior email or a website visit). Today, all email marketing tools allow marketers to add personalized “fields” to outbound email. This could include a prospects name in the salutation or a reference to a recently purchased product. Email personalization is critical to maximizing the relevance of lead nurturing communications.

Centralized Marketing Database. Customer data is the lifeblood of lead nurturing campaigns. Ideally, lead nurturing campaigns will deliver just the right content for just the right stage in the prospects buying cycle. Therefore it's critical to track and monitor the type of content prospects are consuming over time. Naturally, this would be difficult or impossible to do manually, so automated systems should collect and aggregate all customer data to one centralized database. Most automated lead management systems track email marketing, web analytics, and landing page conversion from one centralized system for a complete view of all marketing activity with prospects and customers.

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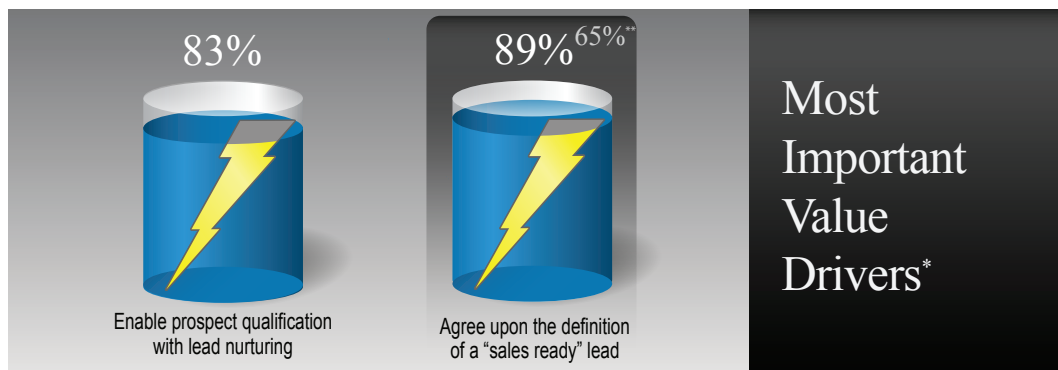
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Part 3: Value Drivers

Most companies recognize the need to focus on a number of different value drivers, often in combination, in order to maximize the value of their investment in lead nurturing. Interestingly, according to Top Performers, the most important value driver relates not to putting an enabling technology, business process or organizational resource in place. Rather, it relates to the need for the marketing and sales departments to arrive at an agreed-upon definition of what a “sales ready” lead means, in the first place. For many, this step (which may need to be revisited on an ongoing basis) is easier said than done.



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Agree upon the definition of a “sales ready” lead. It is critical that marketing and sales work together seamlessly and have a singular understanding of the entire sales-marketing process, including who is responsible for what and how the process will work and flow. A singular lexicon across both departments is an important first step, as well is understanding the definition of what constitutes an inquiry, marketing-qualified lead, sales-accepted lead, sales-qualified lead or closed business.

Enable prospect qualification with lead nurturing. There are several reasons to prequalify a lead, including: reduce cost-per-lead; reduce the amount of time (and financial investment) spent with a lead; and improve the value of the lead over the long term. To help prequalify a lead, a lead-nurturing process is designed to move a person or company one step at a time through the sales/marketing funnel, which also provides visibility on where every lead is inside the sales funnel. Start prequalifying with broad, basic questions, such as: “Click here if you are a consumer products firm” and “click here if you are a business-to-business firm.” Or, prequalify them by need. For instance, whether they click on an article about “how to start a business”

vs. “how to expand key product lines.”

Align marketing content to the prospect buying cycle. With each step of the lead-nurturing process, place corresponding content that unobtrusively signals if a lead is moving closer to the buying process. For example, suppose someone searched an online catalog for the generic term “car stereos.” Appropriate content could be an article on “How to Choose the Best Car Stereo.” If, a day later, this Web site visitor returned to search on “wattage” and “style,” they could be presented with an article on “Consumer Reports’ Top-rated Car Stereo Systems.” As they move closer to the shopping cart, present them with content that matches their specific need at each click. Through lead nurturing, each search term, piece of content delivered or clicked on, not to mention how long they spent with each piece of content, helps define where the prospect is on the buying continuum. Through an automated reporting structure, this path can be followed and continually adjusted.

Prioritize leads based on propensity to purchase. By aligning marketing content to the prospect buying cycle, one can see how close (or far) they are from conversion. With this information in hand, one can easily

Integration with CRM. Integration between marketing automation tools and CRM provides a complete history of marketing and sales activity on prospects and customers. In fact, this is absolutely critical to building an efficient lead nurturing process. Integration can help deliver automated alerts to sales to ensure sales are focused on the high priority opportunities that have the greatest chance of closing. At the same time, this integration creates a seamless flow between marketing and sales; lead quality can be tracked and monitored and the organization can close the loop to start collecting some tangible metrics about return on marketing investment.

Lead Scoring. Advanced lead nurturing techniques involve the use of lead scoring and prioritization. Lead scoring techniques provide a mechanism for prioritizing leads and automating when they are passed to sales based on numeric values that are assigned to different prospect activities. These "rules" assign numeric points to different activities in the buying cycle; clicking an email, visiting a website, downloading a whitepaper, etc.). After prospects reach a pre-determined aggregate threshold they are automatically passed to sales as qualified opportunities ensuring sales reps engage at just the right time, with just the right message.

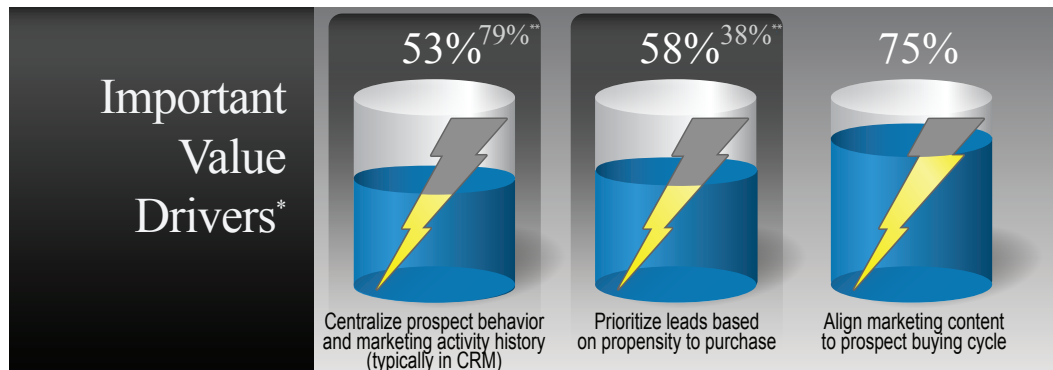
Web Analytics. In a complex sales cycle, there is no question prospects will be visiting websites and looking for research online. Web analytics data is a window into prospect needs and desires. Automated lead management tools can track and monitor activity email click-throughs to websites and landing pages and incorporate this into nurture marketing campaigns as behavioral triggers. More sophisticated web analytics tools can also be used to shape the content and messaging in lead nurturing campaigns. What search terms are prospects using? What content do they typically download? What challenges are they trying to solve?

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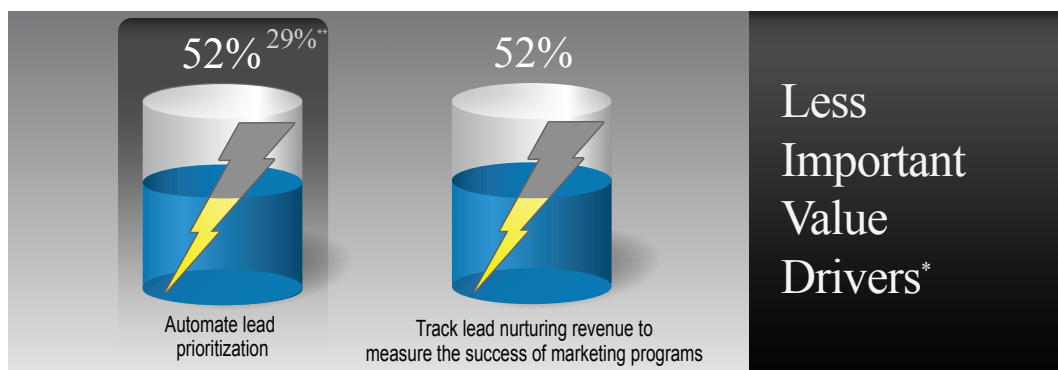
prioritize leads and the amount of time spent with them, based on who is most ready to buy. This information is a moving target and could change as quickly as every few minutes or as slowly as every few months, depending on the type of products and services sold.

Centralize prospect behavior and marketing activity history (typically in CRM). Look for common denominators across prospects' behavior. Group together those whose buying behavior is the same or similar. Then look for ways to centralize and automate how you address those behaviors, such as with targeted emails or direct mailers, customized telemarketing calls, or personalized letters. Grouping 'like' people together will also help one uncover and address any gaps, problems, issues or challenges standing in the way of closing sales. They may also bring to light new ideas for cross-selling and upselling to these and other prospects or customer segments.

Track lead nurturing revenue to measure the success of marketing programs. Lead nurturing campaigns should provide answers to the following questions, which are directly tied to ROI: How many marketing-qualified leads did marketing nurture over a given period of time? How many of the marketing-qualified leads became sales-accepted leads

over a given period of time? How many of the sales-accepted leads became sales-qualified leads? How many of the sales accepted leads closed and how much revenue was associated with these leads? While it may not be possible to tease out the percentage of each sale that lead nurturing was responsible for, one will be able to determine that, of all incoming leads, the ones processed by a lead-nurturing program will likely present higher value than those that were not.

Automate lead prioritization. Determining which lead to follow up on next should not be arbitrary or time-consuming. Similar to the way a customer service rep's phone automatically rings when a customer is on the line, sales reps should be automatically fed with lead information. Use lead scoring to determine the priority of each lead. There are several variables that will come into play when determining a score, including: title, industry, location, revenue and budget. Marketing and sales should jointly determine the values/points to assign to each variable and what numbers should be used to weight the data. Once all the factors are determined, business rules can be written to decide when a lead is ready for passing to sales and whether it is a level 1 ("hot") priority.

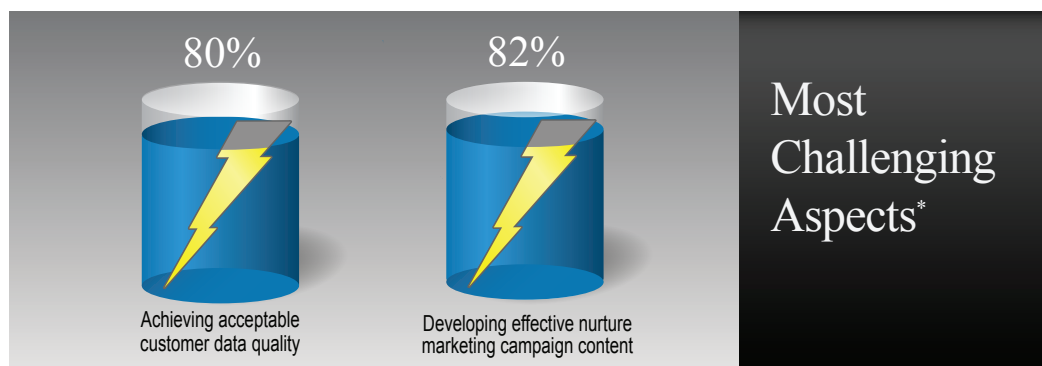


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Part 4: Challenges

There are numerous challenges associated with launching a lead nurturing program. They range from securing executive level buy-in to getting sales and marketing onto the same page, educating staff at various levels throughout the company and from across a variety customer touch points, understanding the prospect audience; putting the right technology solutions in place in a timely manner; determining business rules; making joint decisions such as scoring values and which software to use; and putting metrics and measurement tools in place. Like the lead nurture funnel itself, each one of these steps should be handled in a particular order, one step at a time, and most importantly, together.



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Developing effective nurture marketing campaign content. To map the right content to each buying stage, understand the attitudes (i.e., what's important to their buying decision and what their deciding factors are) and behaviors (i.e., do the majority of prospects follow a pattern prior to buying and how can you help them achieve those behaviors through specific content) prospects exhibit. Once these attitudinal and buying behaviors are understood, craft content ideas that match those intents. Example: Manager A wants a recycled paper stock that is as white as a No. 1 sheet; Manager B wants an affordable catalog stock but doesn't want any show-through. Each of these distinct issues can be addressed through different pieces of content.

Achieving acceptable customer data quality. The best data for making actionable decisions is behavioral. Work backward from conversion and capture each individual step the prospect made until you reach a threshold where the steps are no longer unique and become general. Also, attitudinal data will help make visible how prospects perceive your brand vs. the competition. In addition, cleansing data regularly is critical. Eliminate wrong addresses, expired emails and phone numbers and merge duplicates on a regular basis.

Finally, capture the search terms that prospects use online and compare search terms for those who convert against the search terms used for those who don't convert. Spot the gaps and audit the search process for improvements.

Fostering a sales and marketing alignment culture within the organization. For lead nurturing to succeed, sales and marketing must work together seamlessly. That means being in agreement on all goals and objectives, definitions—including knowing when a lead is sales-ready—and metrics. To align the culture between marketing and sales, the two departments must be willing to agree on and automate business rules, then share all resulting data, and agree on the data's interpretation. If sales is measured on the quality of the lead, there must be separate metrics in place to incentivize and credit marketing for doing its part, too.

Measuring ROI on lead nurturing activities. Calculating a true ROI on lead nurturing campaigns can be difficult because nurturing leverages a variety of different channels (email, search, Web content, white papers, analytics, webinars) across the life of a campaign. This makes it difficult to allocate revenue to direct costs for a true cost-

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“The difference between good and great marketing is having a process that is integrated and measurable to understand what marketing is working for your audience and what marketing customers are responding to.”

Director, Web and Direct Marketing,
National Instruments

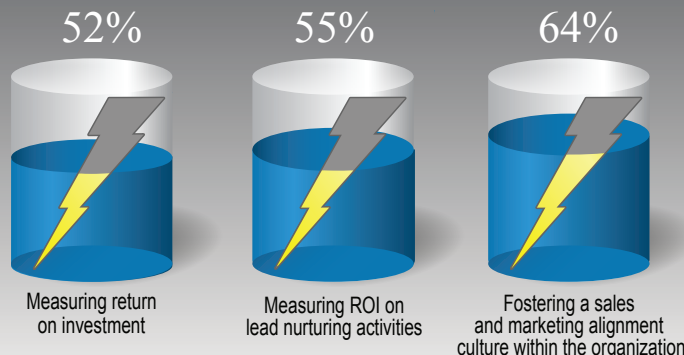
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Challenging Aspects*



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benefit analysis. Also, today's prospects and customers may have been influenced by any number of factors, including competitors, friends and family, bloggers, etc. It is not possible to tease out a lead-nurture-only ROI separate from other efforts, as lead nurturing is part of a holistic approach. However, upper management generally will want marketing to be able to justify the use of lead nurturing, so keep track of lead nurturing's participation in each conversion and compare those numbers to the number of leads converted that were not nurtured, along with their equivalent lifetime value.

Measuring return on investment. Sales is based on short-term metrics, while marketing, when measured at all, can be looked at with either a short- or a long-term view. Since prequalified leads tend to result in better-targeted customers who have higher long-term value, it is important to maintain a long-term view of the value of customers converted through lead nurturing. Also, the more holistic the measurement is (i.e., across all channels), the more accurate it will be.

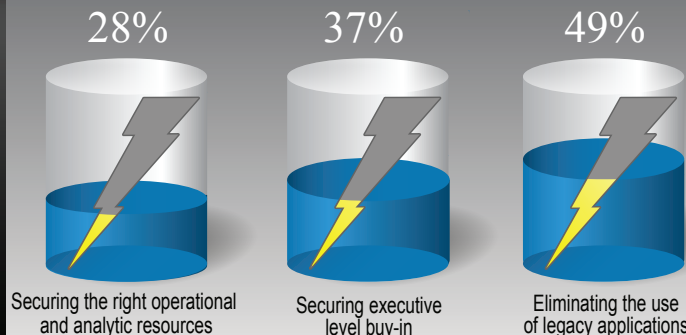
Eliminating the use of legacy applications. As the enterprise becomes more holistic and the customer becomes more multi-channel-oriented, it becomes increasingly more important to eliminate siloed data and applications, replacing them or integrating them tightly with other customer-facing apps. Cloud

computing, although talked about heavily but still only sparingly used, will eventually become a driving force in the elimination of legacy apps. This will increase sales and marketing's reaction time in addressing prospects' needs and speed up the process of delivering leads to the nurture system or the sales team.

Securing executive level buy-in. The CEO is only interested in one thing: ROI. However, there are stakeholders at multiple levels. It often makes sense to open up a dialogue with the lower-level executives to win their support first, and remember to ask them for their opinions about the company's pain points. Accumulate some wins to help plead your case, starting with a series of small tests. Use the test results to extrapolate projections for a larger projects, and be prepared to show how lead nurturing can help.

Securing the right operational and analytic resources. When requesting funding for your lead nurturing program, be sure to align your strategy with the company's goals. Show upper management how lead nurturing helps the firm achieve those goals. When discussing budget requirements, be sure to start with your small wins and extrapolate what that would equate to in a roll out along with the timing for payback. Ask the vendor for case studies of companies of similar size and need and present their ROI, as well.

Less Challenging Aspects*



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Gleanster Numbers

76

Percentage of top performers (compared to 39% of Everyone Else) utilizing lead nurturing campaigns

72

Percentage of top performers utilizing drip-marketing techniques for lead nurturing

34

Percentage of top performers utilizing multi-channel trigger marketing techniques for lead nurturing

12

Percentage of total leads that are deemed "sales-ready" that actually result in an immediate sale (across all survey respondents)

89

Percentage of top performers who cited "personalized email engagement" had the most significant impact on revenue growth over the last year

63

Percentage of top performers that did not have a problem securing executive level buy-in for lead nurturing initiatives

89

Percentage of top performers that share the definition of a "sales-ready lead" between sales and marketing

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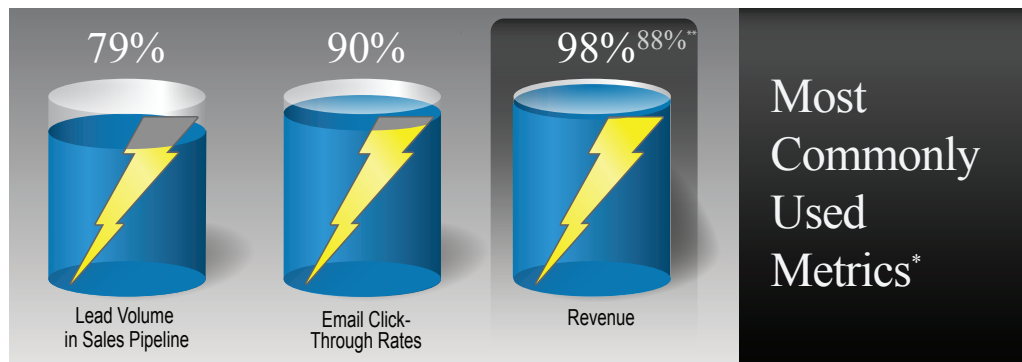
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Part 5: Performance Metrics

Sales is a department that is driven entirely by performance. When it comes to lead nurturing, marketing is inexplicably tied to sales, and so it becomes imperative that all steps along the lead nurturing path are measured. Justifying the value of lead nurturing requires tangible, improvable metrics, and marketing should be able to correlate how lead nurturing contributes to the sales pipeline and, ultimately, to revenue.



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Revenue. The revenue metric is a good example of the cliché, "You get out of it what you put into it." Companies that use lead nurturing generate more revenue from their lead-generation activities than companies that do not. This is mainly because their leads are better prequalified. Moreover, the company earns their trust over time, which results in a deeper relationship and meets needs in a more targeted, relevant fashion. While sales will be more interested in short-term results, marketing should remember to continue to measure revenue over the long-term (i.e. lifetime value) from each individual or company that became sales-ready through lead nurturing.

Email clickthrough rates. Clickthroughs are an important first step in getting content viewed and absorbed. The key to understanding their value, however, is to not measure them in a vacuum. While it's important to measure them, it's an accepted fact that high clickthroughs don't equal conversions, and smart marketers know not to stop there. Clickthroughs are just one part of a holistic approach to understanding your prospect's total value by including where your prospect goes on your website, time spent on your site, whether they register or make a purchase, and whether they forward your email to others.

Lead volume in the sales pipeline. Hitting sales targets requires a constant flow of sales leads, and understanding the current sales pipeline volume, as compared to past

quarters, serves as an accurate predictor of future sales. With this metric, Marketing can determine whether an increase or a course correction are needed in its acquisition marketing and/or lead nurturing efforts. Even a sales pipeline that is flowing smoothly and performing on target should be monitored continuously and analyzed for trends that could affect future performance. An automated lead nurturing system can help the sales pipeline maintain sales volume objectives.

Cost per lead. Many companies purchase online media on a CPM basis, but measure results on a cost-per-lead basis. Lead nurturing can play a significant role in helping companies keep within their cost-per-lead targets. The challenge with cost per lead is that it generally does not follow the click through to conversion and cannot show whether one lead turned out to be more valuable than another. By using predictive modeling to source leads that mimic best and most growable customers, companies can adjust cost per lead—and their lead nurturing program—accordingly, based on a projected LTV.

Average deal size. Across the board, the economic downturn has affected average deal size. But companies that utilized their existing customer data to create relevant and timely offers and content for most valuable prospects have likely suffered the least and remained the most stable. Some have even continued to grow and sustain profitability despite the

“It all starts with a clearly defined taxonomy for lead stages and alignment with the sales team. You can’t nurture until you know how you want to treat different types of leads.”

Doug Sechrist, VP of Demand Marketing, Taleo

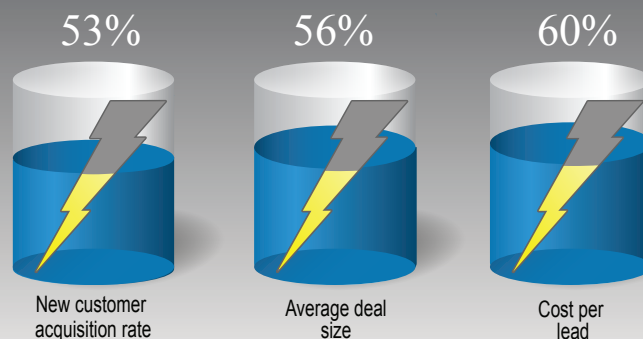
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Commonly Used Metrics*



* According to Top Performers, based on 279 Qualified Survey Responses to the Q3 2010 Gleanster survey on Lead Nurturing

recession. To increase average deal size, work to understand, predict and address prospects’ wants and needs even further. And remember that the customer base is a moving target. Continue to regularly refresh and analyze data about customers and prospects.

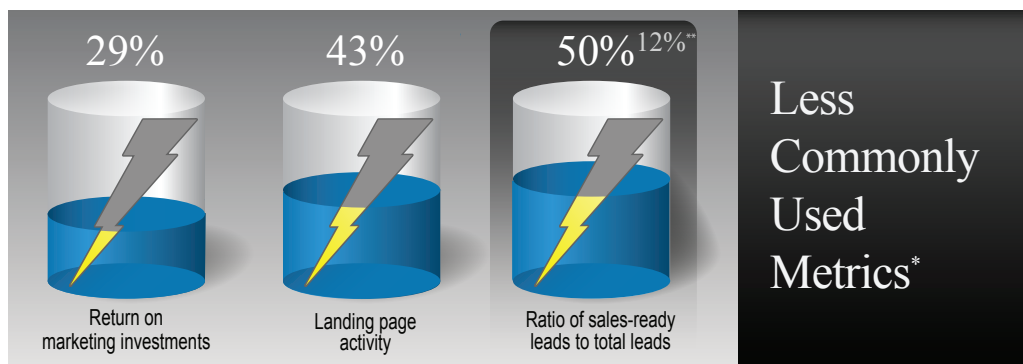
New customer acquisition rate. A percentage of the customer base will be lost every year to natural erosion (moved away; marriage; the company is acquired; the company goes out of business; a new competitor in the marketplace). Without proactive replacement, one could lose an entire customer base in just a few years. By comparing the rate of new customer acquisition against the attrition rate, one can determine whether customers are being acquired as fast or faster than they are being lost. Coupled with monitoring the new customer acquisition rate, one should track and proactively work to keep customers who are attrition risks.

Ratio of sales-ready leads to total leads. The ratio of sales-ready leads to total leads will help determine if: 1) if the right media, sites or networks for reaching the target audience are being used, and if the right targeting parameters are being used; and 2) if the lead-nurturing program is working as effectively and efficiently as it could be. To increase the ratio of sales-ready leads to total leads, continually analyze the type of content that is driving the most conversion to sales-ready

status and feed the content engine with that information, as well as content that solves the problems of the most valuable customers.

Landing page activity. The landing page should drive visitors in a natural pattern from the top (or broader) information down toward the shopping cart, registration or conversion point. If visitors are jumping from place to place in an unnatural order, or moving in a pattern other than the preferred one, rearrange your landing page to match their behavior, putting links or teasers to the most popular information at the top. Ensure that the landing page, registration page and shopping cart are clear and easy to use. Any flaw in site functionality and usability can cause a lower conversion.

Return on marketing investments. To justify your lead nurturing program’s existence, measure its contribution to the sales pipeline and to conversions. Use an automated, closed-loop system where data can easily be exchanged between sales and marketing and prospects can be tracked through the lead generation lifecycle. By automating this process, you will be able to measure your return on marketing investment as often as necessary in real time. Well-aligned organizations use a closed-loop measurement process to see what messaging is converting buyers at different phases, as well as the points where leads may be leaking from the sales and marketing funnel.



Less Commonly Used Metrics*

* According to Top Performers, based on 279 Qualified Survey Responses to the Q3 2010 Gleanster survey on Lead Nurturing

** According to Everyone Else, shown only when a notable disparity occurs relative to Top Performers


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Part 6: Success Story

Taleo combines leading on-demand talent management solutions with the industry's largest ecosystem of customers, partners and candidates. More than 4,500 customers use Taleo's Talent Management solutions to provide up-to-date insights into employees and candidates. Taleo's cloud-based products help managers see the talent that is powering their organization and better understand how to recruit, retain and mobilize their people for better business performance.

The Challenge

Investments in talent management infrastructure require careful consideration and due diligence. Taleo's prospects balance the needs of different stakeholders, as well as financial, ROI and technical impacts. Using a manual system, it would be nearly impossible for Taleo to engage each prospect with timely and relevant marketing messages. To meet the needs of prospects at various stages of the buying cycle, Taleo needed a lead nurturing tool that provided customized communications at every lead stage.

The Solution

Taleo adopted an on-demand revenue performance management solution to automate nurture marketing campaigns and prioritize leads. Most marketers tend to think setting up a lead nurturing program is a daunting task, particularly the

content creation it requires. "It all starts with a clearly defined taxonomy for lead stages and alignment with the sales team," says VP of Demand Marketing Doug Sechrist. "You can't nurture until you know how you want to treat different types of leads. We pulled together a task force—it included inside sales, field sales, marketing stakeholders, sales management, marketing management—and really went through the process

of defining a lead, constructing service-level agreements at each lead stage, figuring out who was going to control the conversation at each point in the buyer's journey and getting buy-in across all the constituents."

Sechrist said the goal in defining lead stages for the lead nurturing program was to determine how to treat each lead through the nurturing and discovery process. "We documented who owns the lead at each stage, what action they're responsible for,

who controls the conversation and the type of message and call to action we want to have at each level. We plotted the different lead types on a grid to determine how to treat them."

The Results

Today, Taleo has more than 30-plus nurture programs. At the heart of the programs, which are run daily, is a sophisticated lead-scoring system that collects explicit criteria such as contact function, role, company size and industry to

determine a qualification score that correlates to prospect needs. The system also generates a score that reflects interest level, based on behavior. Together, these scores help determine if prospects are "hot," "warm" or "cold." In April 2010, Taleo publicly announced record-setting financial performance, including year-over-year revenue growth of 14.5% and 43% quarter-over-quarter new-customer wins for its Taleo Business Edition.

“At the heart of the programs, which are run daily, is a sophisticated lead-scoring system that collects explicit criteria such as contact function, role, company size and industry to determine a qualification score that correlates to prospect needs.”

Part 7: Vendor Landscape

This is a licensed version of the Gleansight benchmark report. It does not include the company descriptions, analyst commentaries or comparative rankings (when available) of the technology solution providers operating in this competitive arena.

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Note: While Gleanster strives to include all of the most relevant and noteworthy solution providers in the Vendor Landscape section, the list is by no means comprehensive in nature. Omissions may occur due to lack of sufficient market presence, as judged by the Gleanster research analyst team. Space constraints may necessitate some amount of paring of even those vendors that do have sufficient market presence. Simple oversights may also happen on occasion. To submit information about a solution provider, please complete the Solution Provider Information Form. To schedule a vendor briefing, please email research@gleanster.com. Vendor descriptions are taken verbatim from company websites or from vendor-submitted profile information. Gleanster Skinny (GS) commentaries are based on vendor briefings, customer interviews and Gleansight research findings as well as on company press releases and various other information sources.

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Lead Authors

Ian Michiels

Research Advisor

Currently a director at MarketSphere, Ian Michiels previously served as research director at Aberdeen Group. He can be reached at ian.michiels@gmail.com.

Lynn Russo Whyllly

Research Analyst

Lynn Russo Whyllly previously served as executive editor of publications for Peppers and Rogers Group. She can be reached at lynn.russo@gleanster.com.

Note: Research and analysis for the Vendor Landscape section was conducted by Gleanster research support staff.

Headquarters

Gleanster, LLC
825 Chicago Avenue - Suite C
Evanston, Illinois 60202

For customer support, please contact support@gleanster.com or +1 877.762.9727

For sales information, please contact sales@gleanster.com or +1 877.762.9726



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Social Media Marketing

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