

LEAD NURTURING

5&10

5 REASONS YOU CAN'T IGNORE LEAD NURTURING

10 FUNDAMENTALS FOR YOUR SUCCESS

According to a report from Forrester Research, companies that excel at lead nurturing generate 50% more sales-ready leads at 33% lower cost per lead. An Annuitas study tells us that nurtured leads make 47% larger purchases than non-nurtured leads. Between sealing the sales funnel to prevent leakage and fostering warmer relationships with prospects, lead nurturing clearly has the power to increase your revenue and market share.

However, something like 75% of companies essentially drop leads that aren't ready to purchase immediately.

Adopting even a simple nurturing program can give you a significant competitive advantage.

NURTURING DELIVERS MORE LEADS, SHORTER SALES CYCLES, HIGHER CLOSE RATIOS, LESS DISCOUNTING, AND MORE REVENUE PER TRANSACTION.

Lead management is a shared responsibility.

Your sales team rightly concentrates on the sales-ready, short-term leads. The long-term leads sleeping in your database should be kept with (or returned to) marketing, to be nurtured until they do finally become sales-ready.

Here are the top five reasons why B2B organizations can't afford to throw away long-term leads – followed by ten fundamentals for nurturing prospects from end to end, from that first contact to the closed deal.

FORRESTER RESEARCH DEFINES LEAD NURTURING AS:

“A sustained relationship with (the) influencers and decision-makers in a potential customer, through which relevant and valuable insight is delivered through integrated channels in a coordinated process, in exchange for increasing intimacy and influence.”

5 REASONS YOU CAN'T IGNORE LEAD NURTURING

1. B2B BUYERS ARE NOT IMPULSE PURCHASERS.

Sales cycles continue to get longer, and involve more decision makers. The business buyer generally researches a product or service and competitive vendors before putting a proposed purchase into a budget plan. The plan itself may take time to be approved, or may need to cycle through annual budgeting. And, the buyer with high accountability for purchases will be cautious.

Research from MarketingSherpa found that **70% of leads generated by marketing are “longer-term opportunities worth nurturing.”** If you use nurturing to maintain your mindshare with the prospect, you have a chance to shape buying criteria and expectations, positioning your company as the one most able to deliver desired outcomes.

2. COMMUNICATION CAN BE A KEY DIFFERENTIATOR.

A study conducted by the Bridge Group found it takes an average of seven touches to convert a “suspect” to a “prospect.” In some complex industries with enterprise-level customers and CXO buyers, it often takes between nine and 11 touches before a deal closes.

These touches are often steps along an educational path, with the buyer slowly accumulating the knowledge necessary to make a decision. Where the handoff between sales and marketing happens depends on your process, but make sure not to leave gaps. One thing is clear: **Don't quit communicating too early.**

3. THE DISCARD PILE OFTEN CONTAINS MONEY CARDS.

According to benchmark research from SiriusDecisions, 80% of the prospects deemed “bad leads” by sales teams do go on to buy within 24 months. **The lead who’s not ready to buy now (but is interested) may just wander off to another vendor – if you don’t keep them warm and engaged with personalized communication and education.**

Companies ignoring these longer-term leads are handing over opportunities to their competitors. Don't leave the field.

4. NURTURED LEADS OFTEN END UP BEING MORE PROFITABLE.

The Aberdeen Group report "Lead Nurturing: The Secret to Successful Lead Generation" found Best-in-Class organizations see double the bid/win ratio on nurtured leads, compared to peer organizations.

A Lenskold study notes that 28% of marketing teams using marketing automation reported an **increase in the average deal size** from a marketing qualified lead that was passed to sales; the credit goes to the stronger relationships resulting from nurturing and educating buyers.

5. LEAKY FUNNELS ARE A DRAIN ON ROI MEASURES.

Too often leads wind up in limbo. Ignored by marketing, not accepted by sales, they languish and either fade away ... or just find another vendor. Automated lead nurturing makes it easy to keep pace with the lead, helping them progress through the buyer’s journey without a manual strain on your resources. Advanced organizations track where prospects fall out of the buying cycle, and use this data to shore up shortfalls in the nurturing process.

Keeping leads alive and nurturing them **reduces your cost per lead, increasing profitability.**

MANAGING THE LONG SALES CYCLE:

If you’re going to keep a deal alive over the course of a long sales cycle, you need to keep the customer relationship alive and healthy. Nurturing lets you establish a rhythm of contact and keep the communications line open with ongoing touchpoints. The marketing and sales teams can work together to deliver a mix of emails, videos, infographics, white papers, invitations to events, and/or phone calls. Your best approach will likely be some combination of several channels; that looks more spontaneous and genuine, less rote. One big plus for using marketing automation to do this is automating the heavy lifting of what to send when, and making sure communications go out on schedule.

Marketing agency Starshot closes deals for clients – despite sales cycles up to three years long.

[Read the case study](#) to learn how they do it.

10 FUNDAMENTALS FOR YOUR SUCCESS

1. ALIGN WITH SALES SO YOU UNDERSTAND BUYERS' PROFILES AND SPECIFIC NEEDS.

Work with the sales team to understand and define buyer personas; get clarity and agreement about what a qualified lead looks like for your company and what the buyer's journey is. Establish common criteria to determine the difference between an inquiry, prospect, marketing-qualified lead, sales-qualified lead, etc. (or whatever segmentation and naming conventions your organization prefers).

Understand what signals buyers give as they progress through the pipeline from stage to stage. It's critical that sales and marketing align on these criteria and definitions, so you can map content and actions to the stages of the buyer's readiness.

"EFFECTIVE NURTURING STRATEGIES ARE BUILT AROUND THE CUSTOMER'S JOURNEY THROUGH THE BUYING PROCESS."

— LORI WIZDO, FORRESTER RESEARCH

2. START SIMPLY.

Lead nurturing tactics can be very sophisticated, but it's best to begin simply and then add more complex programs only if needed. If you build a simple framework and launch quickly, you'll see ROI more quickly. If you create a more complicated plan, test it in steps so that you can analyze the results of each step before executing the next.

Don't make it more complex than it needs to be. The simpler the program, the easier the execution, and the more obvious the metrics.

3. KEEP SCORE.

Whether you use prospect-provided explicit data such as BANT (Budget, Authority, Need, Timing), or implicit, observed data such as prospect behaviors, or both, do begin to develop a lead scoring model, and assign numerical values to each characteristic.

Scoring leads will help you determine which contacts need more hand-holding or education before they can take the next step toward conversion. Again, this is easy to complicate. Review your established criteria with your sales team and start with something well-considered ... but simple.

4. DEVELOP CONTENT THAT ADDRESSES THE NEEDS OF BUYERS.

Buyers want content that directly addresses the issues they face at each point in the decision process.

It's not enough to have one white paper, and it's not enough to focus on a single channel. Buyers appreciate product comparison breakdowns, ROI calculators, videos, and case studies as they progress through the buying cycle. Start out by addressing each phase of the education process separately, and fold those individual content pieces into your nurturing campaigns.

5. AVOID ONE-OFF MESSAGING THAT SERVES YOUR OWN SHORT-TERM INTERESTS.

Remember this: It's not about you; it's about your buyers and their desires and hopes.

Too many marketers send one-off individual emails with this week's sales messaging, without considering the prospect's recent behavior or areas of interest. This could get you and your offerings labeled as irrelevant. Successful nurturers develop coordinated campaigns with a series of scheduled offers, and then track, evaluate, and respond to opens, clicks, registrants, etc.

6. REMEMBER THAT CADENCE COUNTS.

The main benefits of nurturing are educating your prospects and, in turn, accelerating their buying cycle. To do that effectively you have to develop the right frequency and messaging to place in front of them, without being bothersome.

Frequency is important. Depending on which study you read, buyers need from three to 11 encounters with pieces of content before engaging with a solution provider. One of the most successful strategies to accomplish this balance is to develop a content piece you can deliver as a series, e.g. *10 Steps to Transform...*, and then deliver a different message around each step over a 10-week process.

"OVER-EMAILING AND IRRELEVANT CONTENT ARE THE TOP REASONS PEOPLE UNSUBSCRIBE FROM EMAIL MAILING LISTS."

— CHADWICK MARTIN BAILEY

7. PLAN FOR PROGRESSION.

Make sure your marketing department can build forms and landing pages that allow prospects to fill in their contact information just once – usually the first time they download a piece of content – and then recognize the returning prospect. This alleviates the nuisance factor of having to fill out a form (again), and sends a signal that your company is both smart and friendly.

The next step to consider is adopting progressive profiling practices that allow you to collect a little more information about prospects each time they engage. This is a gentle process that begins with basic contact information, and then gathers more intelligence about needs, budgets, and timelines as the prospect feels more comfortable

"PROPER LEAD NURTURING PROGRAMS CAN YEILD ANYWHERE FROM 15% TO 200% IN ADDITIONAL NEW QUALIFIED LEADS"

— BRIAN CARROLL,
EXECUTIVE DIRECTOR OF APPLIED RESEARCH,
MECLABS

engaging with your brand. As this dialog progresses, you can exit a prospect from one nurture campaign and enter it in another campaign if it becomes more suitable to this prospect's evolving business needs or timing.

8. ESTABLISH RULES FOR THE HANDOFF, AND MAKE IT TWO-WAY.

Plan and establish a speedy, seamless process for passing nurtured leads to sales. Once a genuine, proven buying signal has been given, it's critical to pass the lead as soon as possible. Statistics show that the likelihood of closing a sale drops off dramatically with even a day's delay, so a real-time handoff is important for effective follow-through.

The handoff must go both ways. Leads that appear to marketing to be sales-ready may be disqualified by sales, based on budget, timing, or some other factor that will eventually resolve. These temporarily disqualified leads must come back to marketing. You've already invested in a relationship with them and you may have an opportunity to close them later on. (Statistically, you'll get that second chance within 24 months.) Develop a process to send these "delayed" leads back to marketing, where they can be nurtured until the issues are resolved and they are ready and able to buy.

9. WAKE THE “DEAD.”

Are there contacts in your CRM system or marketing database that you wrote off when they stalled in the pipeline? Don't ignore them; find ways to re-engage those contacts with new content. In some cases the dead-lead pile can prove to be very fertile ground for farming new deals.

“Nurturing capabilities can be integrated into the sales process to re-engage ‘dead’ opportunities and bring more of them back to life,” suggests Dave Green, co-author of *The B2B Refinery* and Director of Best Practices, Applied Research, for MECLABS. “For example, survey all the dead leads to find out what’s changed, and use those answers to offer solutions in subsequent email campaigns to get the opportunity back on track.”

10. SET UP METRICS TO TRACK PROGRESS.

Track measurable indicators, such as how often you get certain data to further qualify or segment leads; click-through rates; conversions through each stage; time to conversion; and so on. As you nurture these prospects and measure your results, you can influence the percentage who progress from a prospect to a lead to a sales-qualified lead and ultimately an opportunity. By tracking the conversion rate at each stage of the funnel, you can improve overall performance and ultimately quantify marketing’s contribution.

A FINAL NOTE: NURTURE CUSTOMERS AS WELL AS LEADS

Once you’ve gotten nurturing down to a science for closing those prospects, consider how you might use it for upselling existing customers or cultivating retention. These are the highest-value people in your database, and communicating with them on a regular basis just might nurture them into your best advocates.

ABOUT ACT-ON SOFTWARE

Act-On Software delivers cloud-based integrated marketing automation software. Marketers can manage all their online marketing efforts from a single dashboard that can be seamlessly integrated with CRM, giving sales access into various marketing functions. Act-On's fresh approach to marketing automation gives its users full functionality without the complexity other systems impose, and makes campaign creation and program execution easier and faster.

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