



The Devereux Group  
BOTTOM-LINE MARKETING®

## **When was the last time you stole a customer?**

*How to focus on winning prospects.*

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# When was the last time you stole a customer?

## *How to focus on winning prospects.*

Getting customers to switch from the competition has become virtually impossible – especially for B2B companies. If competing products are working at all, customers simply won't take on the costs, business disruption and organizational issues required to make the switch. So competing for customers has to start earlier in the sales cycle – with prospects.

Competing for prospects, though, means dealing with them in a whole new way. Traditionally, the emphasis has been on acquiring and preparing them for Sales. But that's not enough anymore. Now prospects are up for grabs. Whatever applies to winning and keeping customers has to be applied to winning and keeping prospects.

To compete successfully, you need to tie prospects to the company by more than Sales' interest in them. As prospects now – and previously as leads and inquiries – they need to become part of the corporate family. You need to optimize their experiences to make them stay interested in you, and not defect to a competitor. That's what lead nurturing should do.

It may sound radical, but retaining prospects is as important as sending the right leads to Sales. This changes the way lead nurturing should be implemented, and this paper explores the impact those changes have on:

- Prospect Experiences
- Role of Lead Nurturing
- Lead Nurturing Objectives
- Techniques for Lead Nurturing
- Right Kind of Lead Nurturing for Your Company
- Where Lead Scoring Capabilities Fit In

### **Prospect Experiences**

The “Rule of 45” (*Marketing Management* magazine) states that 45% of inquiries buy within 12 months – from somebody. And another 30% still plan to buy at the end of that same 12 months. That's 75% of inquiries – that you've already paid for – with the potential to become sales for you and not someone else.

Yet the average conversion rate of inquiries to sales is only 5-10%. At \$50 an inquiry, that balloons the cost per lead to \$500-\$1,000 each. Plus, it gives the competition an opening with 35-70% of the inquiries you've generated!

With that many inquiries at risk, it's tough to compete successfully. But if you can hold onto more of your inquiries and initiate relationships with them, you deny opportunities to your competitors and reduce the cost per lead at the same time. In fact, retaining prospects can actually have a significant financial and strategic impact.

While the idea of maximizing prospect retention may seem new, you already have tools for achieving it. You've been optimizing customer experiences to make them want to continue doing business with you. Now you need to optimize prospect experiences so they'll continue to stay interested, and not defect to a competitor.

Delivering prospect experiences, however, differs from how you deliver customer experiences. With customers, you can use CRM and leverage customer data. Since prospects are not customers yet, you need something else. This is where lead nurturing fits in. Lead nurturing should embody the experiences you want your prospects to have.

### **Role of Lead Nurturing**

Traditionally, lead nurturing has been the “also ran” destination for leads that don't yet qualify for Sales. If 3 out of every 4 inquiries is a potential sale, however, it's critical to bond leads to the organization; and lead nurturing is the only way to accomplish that.

This makes the stakes for lead nurturing much higher than you may have previously realized. It also means the scope of your lead management strategies has to expand to encompass prospect retention and the experiences you want to deliver. This is the key to winning prospects.

Decision-making about lead nurturing, however, is more complicated than simply broadening your strategic scope. Each lead management solution embeds its own nurturing assumptions, and you have to decide whether they conflict with the role you want lead nurturing to play. You may, as a customer, control the input and configuration of any system you consider, but core assumptions don't change even when their values do.

### **Lead Nurturing Objectives**

When lead nurturing objectives are set, Sales readiness – growing lead qualification until Sales feels it's worth contacting the lead – usually tops the list. While readiness may come first to mind, it doesn't encompass prospect retention or any of the other ways organizations can put lead nurturing to work:

1. Improve scores and qualification levels of leads not ready to speak with Sales
2. Promote the organization and its products to leads not ready to talk to Sales
3. Determine each inquiry's BANT status
4. Gather contact information and profile data
5. Gather sales intelligence
6. Increase interest level of each lead
7. Reduce prospect attrition
8. Follow up with anyone who's shown interest
9. Shorten sales cycles
10. Minimize time wasted on poor leads
11. Automate lead ranking

12. Evaluate responsiveness of various sources of leads
13. Evaluate appeal of various kinds of content
14. Evaluate effectiveness of various kinds of offers
15. Reduce cost per lead
16. Improve marketing ROI

Each of these individual objectives is relatively specific and granular; yet they share strategic characteristics which group them into just 4 categories:

**A. Sales readiness**

1. Improve scores and qualification levels of leads not ready to speak with Sales
2. Promote the organization and its products to leads not ready to talk to Sales
3. Determine each inquiry's BANT status
4. Gather contact information and profile data
5. Gather sales intelligence

**B. Prospect retention**

1. Increase interest level of each lead
2. Reduce prospect attrition
3. Follow up with anyone who's shown interest

**C. Sales productivity**

1. Shorten sales cycles
2. Minimize time wasted on poor leads
3. Automate lead ranking

**D. Marketing productivity**

1. Evaluate responsiveness of various sources of leads
2. Evaluate appeal of various kinds of content
3. Evaluate effectiveness of various kinds of offers
4. Reduce cost per lead
5. Improve marketing ROI

Although individual objectives might be categorized differently, the combination of the 4 categories creates a framework for setting your company's lead management priorities.

### **Techniques for Lead Nurturing**

All lead nurturing objectives rely on one or more of several contact techniques. Each technique differs in how it delivers prospect experiences, how they're received by leads, and how responding leads are treated. All contact techniques, however, roll up into 2 basic approaches to lead nurturing:

- Reactive
- Proactive

The Reactive approach requires lead activity in order to occur. Each time a lead acts, reactive techniques deliver nurturing in response to – and according to – what each lead has done. This approach primarily utilizes the following techniques:

- Auto-responders
- Trigger-based marketing

The Proactive approach to lead nurturing, on the other hand, does not require any lead activity beyond the initial inquiry. Contacts occur based on preset intervals and purchase processes as defined by the organization. Lead behavior can reset content and delivery schedules, but nurturing communications continue unless there’s an opt-out or a request to stop.

The proactive approach is delivered primarily via the following techniques:

- Drip marketing
- Keep-in-touch marketing (e.g., newsletters, etc.)
- Proactive lead nurturing

**The Right Kind of Lead Nurturing for Your Company**

With 4 categories of objectives and 2 categories of techniques, it sounds like a matrix is in order to identify the most productive lead nurturing techniques for each category of nurturing objectives:

<i><b><u>Categories of Lead Nurturing Objectives</u></b></i>	<i><b><u>Reactive techniques</u></b></i>	<i><b><u>Proactive techniques</u></b></i>
Sales readiness	Yes	Yes
Prospect retention	No	Yes
Sales productivity	No	Yes
Marketing productivity	No	Yes

If Sales readiness is the primary focus of lead nurturing, then both Reactive and Proactive techniques will work. Since lead activity triggers Reactive nurturing techniques, their very use signals progress toward in-person Sales contact. In the absence of lead activity, Proactive techniques reconnect and sustain lead progress toward Sales.

Reactive nurturing techniques, however, usually don’t work as well for other categories of lead nurturing objectives. This is precisely because they rely on lead activity to be triggered. If improving prospect retention is important, waiting for leads to act can mean waiting while they defect to a competitor. If Sales or Marketing productivity is a priority, waiting for leads may drag out the sales cycle or delay the evaluation of promising lead sources and content.

Proactive lead nurturing techniques usually work better for prospect retention and productivity-oriented objectives because they don’t wait for leads to act. Leads aren’t ignored, and they don’t have a chance to just slip away. Leads may choose not to respond, but Proactive techniques give them every opportunity, and on a timely basis.

## **Where Lead Scoring Capabilities Fit In**

The value of lead scoring depends on lead nurturing objectives and where scoring occurs during the lead management process. When Sales readiness is the primary emphasis, then lead scoring capabilities should be factored into the decision-making. It has a natural role in assessing the progress leads make towards being qualified enough for Sales to contact.

Lead scoring is also frequently used at the time of lead acquisition to determine whether a lead should be sent directly on to Sales or routed for nurturing. This quantifies and automates the initial lead rankings that used to be done manually.

It may be faster and more-involving, however, for Sales to cherry-pick the leads they want right away, and simply put the others through lead nurturing where they can sort themselves out. This bypasses the initial lead ranking step and the redundant handling of leads not yet ready for Sales.

Lead scoring is less important if the primary lead nurturing focus is not Sales readiness. In a prospect retention or marketing productivity context, lead scoring simply becomes a tool to help manage lead nurturing. It enables you to quantify and standardize how you evaluate nurturing effectiveness, define lead segments, and measure the performance of various lead sources, offers and content.

## **Conclusion**

Broadening your lead management perspective to include winning prospects and not just customers refocuses on the mission of lead nurturing in your company. Here we have proposed a framework for reviewing that mission in the context of a broader range of lead nurturing objectives, the available nurturing techniques, and criteria for matching the two.

Regardless of how your company decides to put lead nurturing to work, this evaluation framework can bring objectivity to that decision-making process.

## **About The Devereux Group**

*The Devereux Group is a B2B marketing and direct response company which delivers strategic, integrated Bottom-Line Marketing® services that reduce marketing risk, and improve business performance. Primary services include: direct response, email marketing, and LeadMaker®.*

*LeadMaker is a buyer-oriented process for lead management, nurturing and qualification. It features multi-touch contact series mapped to buying milestones to prepare leads for Sales. LeadMaker launched in 2003, and has helped companies like Groove Networks, Progress Software, and Kofax improve Marketing and Sales productivity.*