Lead Management: Get Started with a New Strategy for Buyer-Centric Marketing and Selling

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Introduction

You've heard it a million times: Today's business marketers engage with prospects throughout the purchase cycle. It's a little scary, but you're willing to accept the responsibility. The question is, what do you do next?

Fortunately, lots of other people have been asking the same question. Here are some answers.

Marketing's New Role

Let's start with a closer look at what has changed. Not so long ago, most information about your company came from the company itself. Marketers and salespeople traded this information to buyers in exchange for access. Salespeople were the primary information distributors. Marketing's job was to find and qualify prospects while giving away as little information as possible.

Today, potential customers can gather vast amounts of information about your company and its competitors without talking to you directly. Most of this information comes from the Internet: corporate Web sites, industry forums, expert (and not-so-expert) bloggers, and an ever-expanding galaxy of social media where buyers communicate directly with each other.

Marketing's goal in this new environment is to become a respected member of this larger community, so prospects naturally look to your company as a preferred information source. You can get part of the way by offering appropriate, accessible information. But reaching the final destination requires more than convenience. It requires trust.

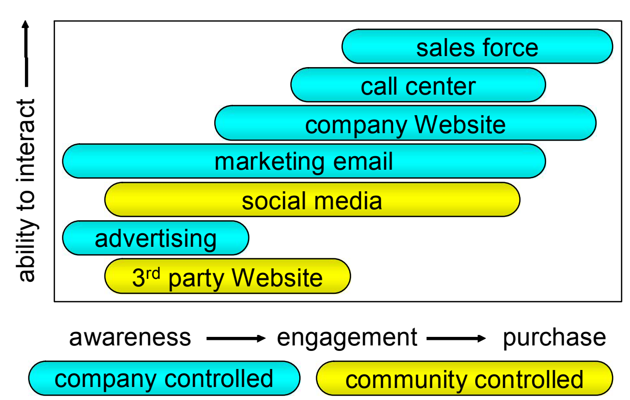
Put another way, marketing's role now is to build a relationship. This was traditionally the salesperson's job. That they now share it with marketers is the crux of the change in the buying process.

Building a Relationship

At the simplest level, you build a relationship by responding appropriately to someone's actions. In practice, there's nothing simple about it.

Part of the challenge is that you'll be interacting with the same person through many different channels. These channels differ substantially on several dimensions. But prospects will use them all, and not just at the stages you might prefer. So your challenge is to create a holistic lead-management approach that lets each channel react appropriately to each prospect's current situation.

Purchase Stage vs. Interaction vs. Control



Choosing the best response means reaching two goals: building a positive attitude in the mind of the customer, and gathering information for your own purposes.

- **Building a positive attitude** requires providing requested information, but also showing that you understand their needs by responding in ways that go beyond fulfilling explicit requests. These might include offers of other helpful information such as white papers and e-books, self-service resources such as score cards or checklists, or options for personal assistance such as Web chats or telephone consultations. The trick here is to match these offers to the prospect's current situation, based on explicit and implicit clues about their needs at that moment.

- **Gathering information** provides the data needed to assess the customer's situation. You can use small surveys to gather explicit data, tailoring the questions on the fly to fill the most important gaps in your existing knowledge. Even better, avoid surveys by structuring the interactions so the prospect's choices tell you their needs implicitly. For example, offer a menu of information about different product features and see which they pick. The key to this approach is to purposely structure the interactions so those choices are required and you actually capture the results in a usable form.

Keeping those two goals in mind, you can select the information provided and requested in each situation. These situations can usually be mapped to buying process stages such as awareness, interest, decision and action. At each stage, prospects need different types of information from you, and you want different information from them.

Stage	Information Provided to Prospects	Information Gathered from Prospects
awareness	- what this class of product does - how it might benefit them	- basic profile (company, position) - contact details (name, email, phone)
interest	- how this product works - what it takes to use it successfully - how to build a business case	- what are their business needs - how soon they might purchase - budget
decision	- what makes your product unique - how to compare alternatives	- project schedule, team members - environment (existing systems, etc.)
action	- product pricing and sales terms - implementation process and schedule	- scope (users, data volume, features, etc.) - key goals and concerns

It's critical to recognize that few real-world buyers will follow the simple, linear path presented in a buying process diagram. In practice, they move at their own pace and ask questions in the sequence that occurs to them. Also, remember that they're almost certainly getting information from other sources that you don't know about. Smart marketers use the process framework only as a starting point to help them decide what materials to create. Then they build a relationship by carefully monitoring prospects' actual behaviors and providing information they really want to receive.

Of course, it (almost) goes without saying that the materials you provide must themselves be appropriate. Offer quality information, answer the expected questions, and be well-organized, engaging and attractive. In particular, remember that prospects' time is limited, so several short items addressing specific points are more helpful than one long item that covers everything. Always keep in mind the analogy with a live salesperson: When you ask a specific question, you want a direct answer, not a long, canned speech that has what you need buried amidst other irrelevant information.

By this point it should be clear that managing a true dialogue is nothing like the one-sided email barrage of a typical “drip marketing” campaign—which not so long ago was considered the epitome of advanced lead nurturing. Drip marketing still has a role in building awareness among prospects who are not yet ready to engage in an active dialogue. But it’s subsidiary to the larger goal of building a strong relationship.

Technologies

The technologies needed for successful lead management perform four broad functions:

- **Recognize.** The system must identify individuals over time and across channels. Even anonymous visitors can be tagged with browser cookies that begin tracking their activities and recognize them on subsequent visits. Sometimes a visitor’s location and employer can be inferred from their Internet address. But the real challenge is merging their identities in different channels such as email, telephone, social media and direct mail. Some links can be automated or imported from reference databases, while others are created manually, often by a salesperson. Linked identities are the key to building a complete picture of the prospect’s activities and to coordinating treatments across channels.

- **Record.** The system must build a unified profile of prospect information. This starts with explicit information such as demographics and qualification criteria such as the traditional budget, authority, needs and timing (BANT). It then extends to implicit information, such as lead scores, interests and buying process stages, that are derived from page views, downloads and other behaviors. Don’t underestimate the importance of converting the mass of raw details into concise summaries and classifications that can drive treatment rules.

- **React.** The system must select and present treatments appropriate to the prospect’s situation. This requires a repository of treatments (Web ads, email messages, downloadable content, telephone scripts, etc.) and an engine to select them. The engine will probably rely on a combination of business rules and lead scores. The tailored responses generated by this engine are what distinguish true relationship building from drip marketing sequences and simplistic campaign flows.

- **Refer.** The system must involve human agents when appropriate. This includes formal routing of qualified leads to sales and ad hoc interactions such as offers of an online chat session. The system should be able to alert salespeople when selected prospects visit the Web site or take other significant actions. Any referral must be accompanied by detailed prospect profiles so salespeople, call center staff and chat agents can interact appropriately once they connect.

This is not a complete list of the functions in a modern marketing automation system. In particular, it excludes initial response generation such as outbound email and search engine marketing, as well as nurturing campaigns. These remain essential parts of a complete marketing program.

Process Management and Transparency

So far, we've been concerned with the mechanics of building prospect relationships. But the mechanics will be wasted unless sales and marketing trust each other to handle prospects correctly. Otherwise, salespeople will not take advantage of the relationships that marketing has created, and, in pure self defense, will initiate lead generation and relationship-building efforts of their own.

The key to this trust is transparency. Marketing and sales must:

- **Define the process** that will shepherd prospects through the sales funnel. Major steps in this process include generating initial contacts, capturing information, lead scoring, executing dialogues, sending nurture campaigns, and assignment to sales. Each of those steps has its own set of tasks.

- **Agree on the specific rules** that will govern each step in the process, such as how scores will be calculated, which messages will be delivered, and when sales will be alerted to an event. These rules must be defined to make it easy for marketing and sales managers to inspect and test them.

- **Enable each group** to verify that the rules are being followed. This means letting salespeople see the interaction history and data of individual prospects in the marketing system, and giving marketers access to similar data in the sales system. It also includes summary reports that show campaign results (emails sent, response rates, white papers downloaded, leads assigned to sales, etc.), statistical profiles such as average lead scores and counts for each funnel stage, and final results such as closed opportunities. These reports will come from both the marketing and sales systems.

- **Empower individual salespeople** to intervene in the automated processes when appropriate. This includes reaching into the marketing system to pull out new prospects, drawing on the marketing content repositories for materials, and pushing leads back into marketing campaigns for additional nurturing. Such mechanisms both help to deliver more appropriate treatments to individual prospects and make sales more familiar with what's going on inside the marketing systems.

Measuring Success

The ultimate measure of sales and marketing success is revenue. But other measures are needed to highlight individual stages within the process, so results can be measured and improved. In addition, the system needs to track the immediate results of specific decisions, so alternative treatments can be tested and results optimized over time. As the treatments that build relationships are increasingly delivered by automated systems, such measurement is a critical defense against harmful treatments that could otherwise go unnoticed.

A robust measurement regime will include:

- **Operational results**, such as email open rates, click-throughs to landing pages, and Web-site visits. These usually measure whether a specific treatment resulted in the desired behavior. They should be combined with formal testing to identify which treatments are most effective in the short- and long-term.

- **Funnel measures,** which track the continuation rates and velocity of movement through stages in the purchase cycle. These provide a summary of overall marketing performance and a way to analyze stages within the process. Changes from the baseline funnel measures show the net impact of new marketing programs.

- **Engagement metrics**, such as return Web-site visits and e-book downloads. These measure the investment that prospects are making in their relationship with the company. They are used in lead scoring and funnel stage assignment. Because engagement is the product of many interactions, it is best correlated with changes in major marketing policies, such as creative approach or contact frequency, rather than tied to individual treatments.

- **Financial measures**, such as cost per lead, return on investment (ROI) and net present value (NPV). These all require matching marketing costs to business results. Ideally, ROI and NPV will be measured on the basis of long-term relationship value rather than the initial purchase. But long-term measures can be difficult to capture, so many marketers focus solely on the initial revenue instead.

Conclusion

The job of today's business marketers is to build relationships throughout the buying process. This requires a conscious effort to design dialogues that both distribute information about the company and gather information about prospective buyers. Several key technologies are needed to execute these dialogues and measure their results. Above all, these technologies must allow marketing and sales departments to view each other's activities so they can work together in an effective relationship of their own.

About Raab Associates Inc.

Raab Associates Inc. helps marketers make the most of today's marketing technologies. Each engagement starts with a thorough assessment of your company's business situation. We then work with you to identify the solutions best suited to your unique combination of needs and resources. We continue to work with our clients through deployment to ensure that each project meets its objectives and lays the foundation for future growth.

David M. Raab has more than 30 years of experience as a marketer, consultant, author and analyst. He has consulted with major firms in financial services, health care, telecommunications, publishing, consumer goods, technology and other industries. Mr. Raab has written hundreds of articles on marketing issues and addressed audiences in North America, Europe, Asia and Australia. He is author of the *Raab Guide to Demand Generation Systems* (www.raabguide.com) and *The Marketing Performance Measurement Toolkit,* available at www.racombooks.com.

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About Silverpop

Silverpop's Engagement Marketing suite helps turn prospects into customers, and customers into fans. Silverpop's Web-based solutions enable companies worldwide to build relationships with customers and prospects through the creation, automation and delivery of relevant, online messaging. And Silverpop's strategic counsel, service and support helps clients with the precise level of training and advice needed to quickly improve campaign results and ROI. Silverpop makes it easy and affordable for marketers to create, automate and execute campaigns ... from first click to lifetime customer. With offices in the United States, the United Kingdom and Germany, Silverpop's engagement marketing technologies are used by industry-leading brands around the globe. Best practices and white papers are available at www.silverpop.com.

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