

Marketing Lead Management

From the Top of the Funnel to the Top Line

July 2012

Trip Kucera

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Marketing Lead Management: From the Top of the Funnel to the Top Line

While marketing is seeing a dramatic transformation driven by process automation and data, results from Aberdeen's marketing lead management research, presented here, shows that many firms have a significant distance to travel in order to live up to the promise of this transformation, starting with the basic best practices of lead management.

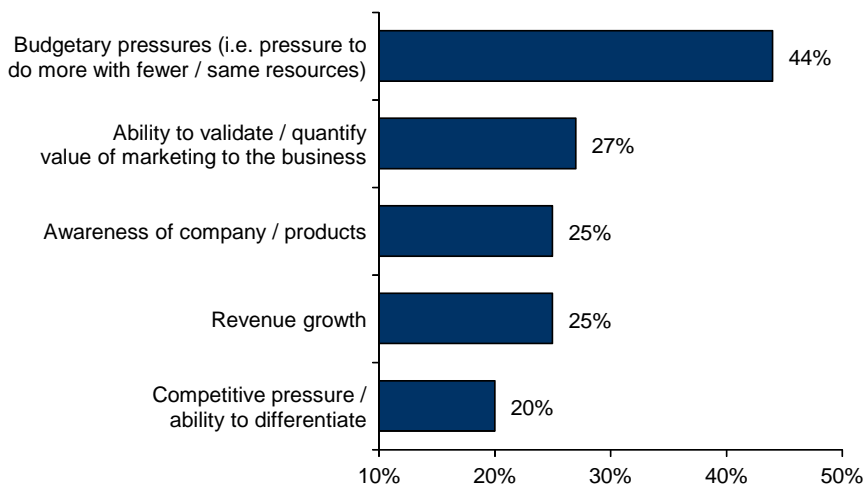
The results for companies that have mastered the fundamentals of lead management are significant, and show that there's great value in getting the basics right. But the fundamentals also provide a platform and path to process optimization that makes revenue performance management possible.

Based on data collected from more than 160 respondents in April and May 2012, this Research Brief presents the state of marketing lead management, a basic process maturity framework that companies can use to gauge their current capabilities, best practices, and recommendations for future success.

Research Brief

Aberdeen's Research Briefs provide a detailed exploration of a key finding from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

Figure 1: Budgetary Pressures are the "New Normal"



Percentage of Respondents, n = 163

Source: Aberdeen Group, May 2012



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Pressures: The "New Normal" and the Drive to Quality

The top macro-level pressures cited by respondents to Aberdeen's survey define the state of marketing lead management today. As seen in Figure 1,

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the “new normal” of budgetary strain and the need to quantify the value of marketing are part and parcel of the drive for higher lead conversions, greater efficiency through automation, and improved performance and accountability through measurement and analytics.

Figure 2 shows the top pressures companies are facing at the lead management level. Lead quality is cited as a top challenge more than 25% more frequently than the next highest pressure (tied at 30% for marketing data quality and lead quantity). As distinct from the quality of the lead data itself (i.e. accuracy of name, email, company name, etc.), lead quality might be defined as the propensity for, or likelihood of, that contact becoming a customer. In essence, companies are saying that their biggest challenge is getting enough of these folks to identify themselves in their marketing programs. Interestingly, Best-in-Class firms in our study are 30% less likely than other companies to cite lead quality (33% vs. 43%), and more likely to cite leads “stuck” in the funnel as one of their top lead management pressures. Keep this in mind as we look at the strategic actions being adopted by companies.

Fast Facts

- √ Best-in-Class firms cite leads stuck in the funnel as frequently as lead quality as a top lead management pressure (33% of Best-in-Class cite each as a top pressure)
- √ Best-in-Class companies are five times more likely than all other companies (15% vs. 3%, respectively) to cite attracting / retaining top marketing talent as a pressure impacting their marketing lead management practices

Figure 2: Lead Management Challenges - Quality over Quantity



Percentage of Respondents, n = 163

Source: Aberdeen Group, May 2012

The Maturity Class Framework

In selecting the marketing lead management Best-in-Class, Aberdeen does not include metrics specific to the lead management funnel, particularly any conversion rate metrics, to distinguish between Best-in-Class, Industry Average and Laggard performance cohorts in this study. As seen in Table I,

top performers are determined by an equal weighting of marketing Key Performance Indicators (KPIs).

Table 1: Top Performers Earn Best-in-Class Status

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 85% of marketing leads passed to sales are “actioned” ▪ 22% year-over-year increase in marketing’s contribution to sales-forecasted pipeline ▪ 18% year-over-year rise in marketing’s contribution to company revenue
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 27% of marketing leads passed to sales are “actioned” ▪ 7% year-over-year increase in marketing’s contribution to sales-forecasted pipeline ▪ 6% year-over-year rise in marketing’s contribution to company revenue
Laggard: Bottom 30% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 5% of marketing leads passed to sales are “actioned” ▪ 1% year-over-year increase in marketing’s contribution to sales-forecasted pipeline ▪ 0% year-over-year rise in marketing’s contribution to company revenue

Source: Aberdeen Group, May 2012

By excluding funnel conversion metrics from forced ranking, we’re presented with a “clean” view of Best-in-Class performance in these important metrics, and thus their impact on overall business performance can be objectively gauged.

Figure 3 shows the advantage that Best-in-Class companies enjoy as a result of higher conversion rates through the end-to-end marketing and sales funnel. It takes Laggard companies nearly 20 times more marketing responses to generate a customer deal compared with Best-in-Class companies, and Industry Average firms require more than twice as many.

Aberdeen’s PACE Methodology

Aberdeen applies a methodology to benchmark research that evaluates the business Pressures, Actions, Capabilities, and Enablers (PACE) that indicate corporate behavior in specific business processes:

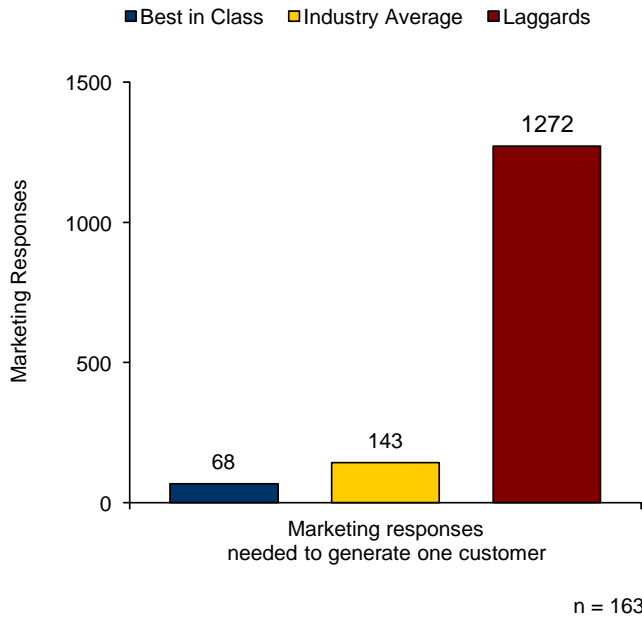
- √ Pressures — external forces that impact an organization’s market position, competitiveness, or business operations.
- √ Actions — the strategic approaches that an organization takes in response to industry pressures.
- √ Capabilities — the business process competencies (process, organization, performance and knowledge management) required to execute corporate strategy.
- √ Enablers — the key functionality of technology solutions required to support the organization’s enabling business practices.



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Laggards require nearly 20 times more marketing responses to generate a customer deal compared with Best-in-Class companies (1272 vs. 68) #DemandGen

Figure 3: Value of the Difference - Best-in-Class Companies Require Fewer Marketing Responses to Generate a Deal

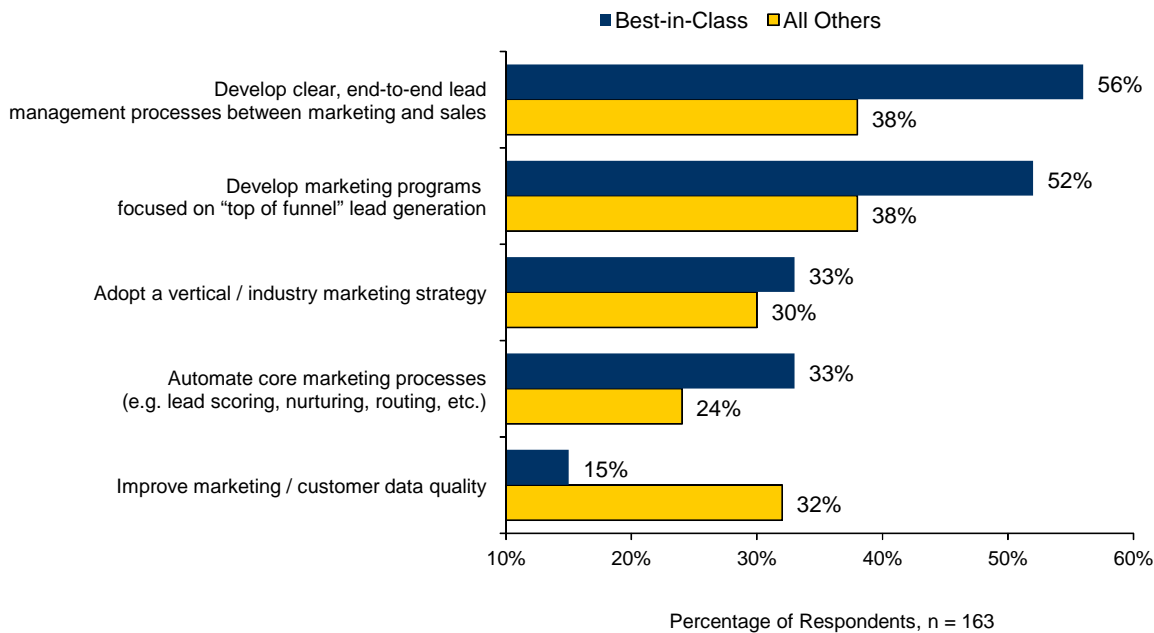


Source: Aberdeen Group, May 2012

Best-in-Class Strategies

Best-in-Class companies are adopting two strategies more than all other companies: 56% are developing end-to-end lead management process that span marketing and sales; and 52% are focused on “top of the funnel” lead generation (respondents were asked to indicate their top two strategies). What’s interesting about this top-most cited strategy is that it doesn’t directly address the top challenge of lead quality discussed above. In fact, strategies that might be more closely associated with improving lead quality, such as an industry or vertical marketing plan or a customer data quality initiative, while in the top five, are cited by relatively fewer Best-in-Class companies. This is not to say that there isn’t focus on lead quality as companies pursue top of the funnel lead generation programs; as we’ll discuss below, companies are leveraging several capabilities aimed at tracking and improving campaign results.

Figure 4: Best-in-Class Strategy Focused on Both Ends of the Funnel



Source: Aberdeen Group, May 2012

The question companies should ask is: how can we improve lead conversion rates, assuming lead quality remains unchanged? This is in essence what companies are doing when they focus on the lead management process. These companies may have concluded that good leads aren't born; they're made. In fact, as discussed in Aberdeen's March 2012 research, [B2B Social Media Marketing: Are We There Yet?](#), many companies are taking a "conversational marketing" approach, in which the marketing and sales funnel represents stages of a two-way dialogue with potential prospects throughout the buyer's journey of discovery, consideration, purchase, and post-purchase. A well-defined lead management process can ensure that leads are handled efficiently, but in the best case scenario will produce an alchemy effect, turning a lead into gold by shaping the buyer's vision and knowledge of what's possible.

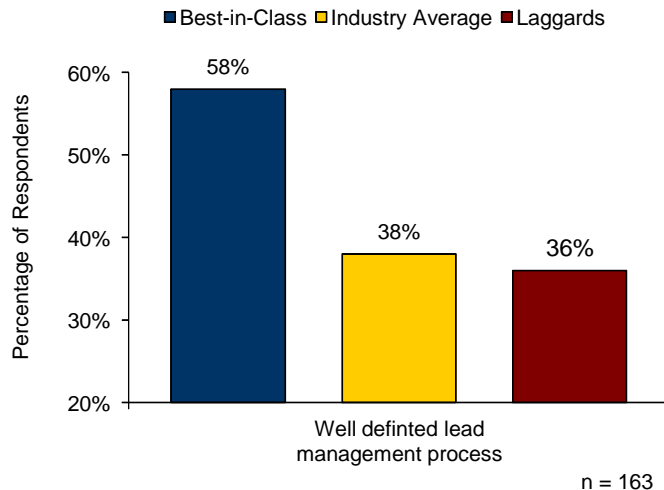
With this in mind, we find that Best-in-Class companies are 57% more likely than all other companies to have a well-defined lead management process in place (58% vs. 37%). As we start to examine the capabilities companies are using we find a back-to-basics theme emerge: Best-in-Class companies have established the foundations of marketing lead management at consistently higher rate than other companies, while far fewer than half of other companies are doing even the fundamentals of sound marketing lead management.



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Best-in-Class companies are 57% more likely to have well-defined lead management processes
#DemandGen

Figure 5: Back to Basics – The Best-in-Class are More Likely to Have Well Defined Lead Management Processes in Place



Source: Aberdeen Group, May 2012

(Re)Introducing a Marketing Lead Management Process Maturity Model

First introduced in Aberdeen’s June 2012 report, *Revenue Performance Management Demystified*, a five-level framework like the *Capability Maturity Model Integration (CMMI)*¹ created for benchmarking software development processes provides a useful model in defining marketing process maturity (see sidebar for definition of maturity stages). Explicit in this framework is the notion that achievement of each level is cumulative, i.e. organizations must gain the experience of level 1 as a foundation to achieve the level 2 and so forth. This is a helpful model to keep in mind as we consider the rate at which various lead management capabilities are adopted across performance cohorts.

Capabilities and Enablers

Crawl, Walk, Run

Best-in-Class companies are 91% more likely than all other companies to have defined, standardized, and documented lead management processes established (67% vs. 35%). One theme that emerges strongly from the data

The Marketing Process Maturity Model Defined

- ✓ **Level 1: Initial / ad hoc.**
Emergence of a marketing function.
- ✓ **Level 2: Repeatable.**
Established marketing lead processes and tribal knowledge of processes. Initial use of marketing technology.
- ✓ **Level 3: Defined.**
Marketing processes are documented, often using marketing technology to capture and automate key steps.
- ✓ **Level 4: Managed.** Use of measurement and metrics help marketing deploy processes more effectively.
- ✓ **Level 5: Optimized.**
Cross-functional metrics used to apply continuous improvement to marketing processes based on revenue outcomes.

¹ See <http://www.sei.cmu.edu/cmmi/> for more information about the Software Engineering Institute and an overview of CMMI.

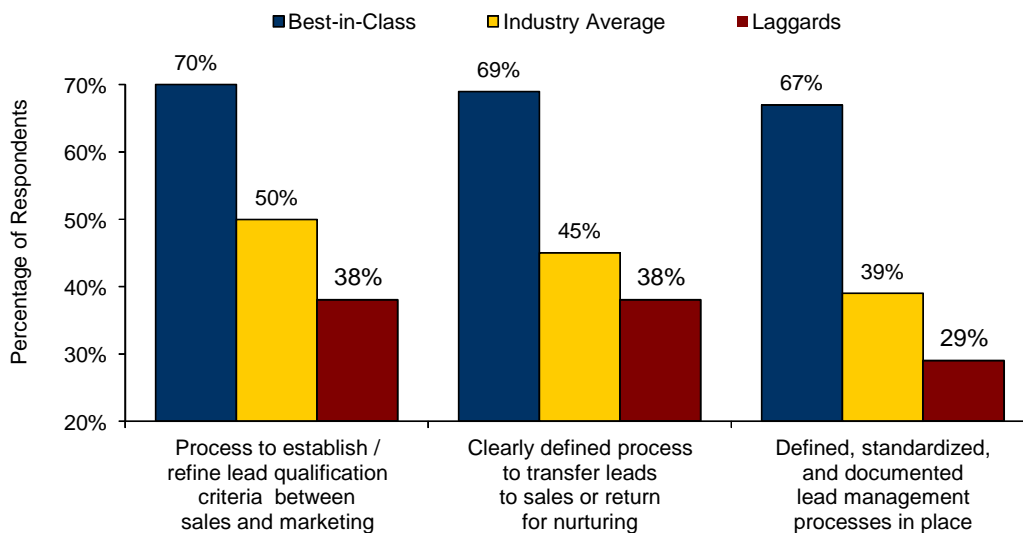
is that of marketing and sales alignment. For most B2B companies in particular, lead management performed by marketing is one side of the lead management coin, as sales is the other. Figure 6 shows that capabilities associated with the hand-off between marketing and sales (which isn't a one-way street) are among the most highly adopted by Best-in-Class companies. Additionally, they also show significant deltas between Best-in-Class and other companies. Aberdeen's January 2012 report, *Sales and Marketing Alignment: The New Power Couple*, examined this topic in more depth. The relationship is critical for several reasons, but none more so than the fact that the fates of marketing and sales are intertwined. From a marketing perspective, sales is the path to market and a dependency for meeting their revenue-oriented goals. Many of the activities associated with marketing lead management are in fact driven by this relationship.

"Marketing automation is ultimately about being able scale the conversation we're having with buyers, and providing feedback about how we're doing."

~ Mark Halliday, director of revenue marketing for Dell AppAssure

For example, 70% of Best-in-Class companies establish their lead qualification criteria in a process between sales and marketing, compared with 50% of Industry Average and 38% of Laggard companies. A clearly defined process to transfer leads to sales (or return them from sales to marketing for nurturing) follows a similar pattern of adoption, as seen in Figure 6.

Figure 6: Crawl, Walk, Run - Marketing Lead Process Maturity



n = 163

Source: Aberdeen Group, May 2012

Nurture vs. Nature: Good Leads aren't Born that Way

It's possible, however, that lead quality may be something of a "false pressure." Poor lead quality is an immutable, ever-present fact of life for marketers. Citing it as a challenge doesn't identify the *real* issue, which is efficiently identifying the needles of high-quality leads from among the haystacks of marketing campaign responses. Yes, lead quality may be a

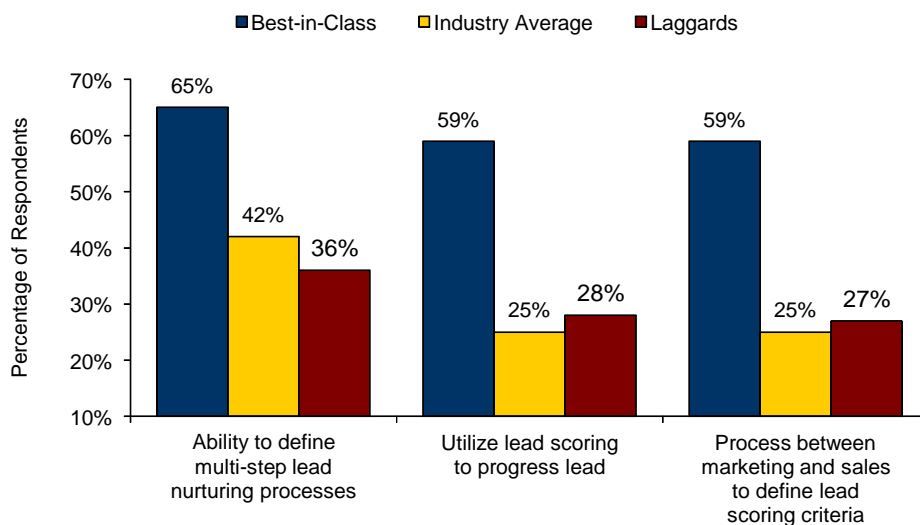
challenge, but in the short term there's very little marketing can do about it (over time marketing is likely to identify campaign and channel sources that deliver higher quality leads). What can be changed is how companies deal with the haystacks. Best-in-Class companies are more likely than others to use lead scoring and nurturing to address this. Marketers would take all the so-called low quality leads in the world, as long as they had an effective way to identify the contacts that represent a "good lead" and focus their limited resources accordingly. This is ostensibly the objective of lead scoring (and to some extent lead nurturing), the process of assigning (generally) numerical values to a contact based on various criteria, such as their company, industry, title, as well as their behavior, such as visiting certain website pages (product, pricing, etc.) or attending specific events, such as webinars. Few topics can stir the passions of marketing professionals as much as lead scoring. The reason for the controversy is that lead scoring is essentially a proxy for gauging customer intent, and, at best, it's imprecise, yielding both numerous false positives (prospects that *appear* ready to engage based on their profile and behavior, but aren't) and, more concerning, false negatives, prospects ready to engage who just don't "score" well. The debate will not end here by any means, but as Figure 7 shows, Best-in-Class companies are more than twice as likely as all other companies to use lead scoring to progress a lead.



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Good leads aren't born that way #DemandGen

Figure 7: They Nurture, They Score – Top Performers Use Lead Scoring and Nurturing at a Higher Rate than Other Companies



n = 163

Source: Aberdeen Group, May 2012

Figure 7 also shows that the Best-in-Class are more likely to have multi-step lead nurturing in place as well. Lead nurturing provides companies with the ability to engage in a more conversational engagement with the buyer, and in many ways provides the grist for the lead scoring mill (i.e. the marketing communications the buyer would engage in). Lead nurturing is a broad

concept, and most broadly entails regular marketing communications and offers to prospects. For example, most companies have some sort of “house list” to which they regularly send newsletters, invitations for events, virtual and otherwise, and other special offers. In the large, this constitutes the broadest form of lead nurturing. However, some companies are becoming more precise with their lead nurturing, using campaign-, industry-, or persona-based nurturing tracks, or defining specific tracks for prospects currently engaged directly with sales, or who have been disqualified from a sales engagement. Respondents have an average of 2.7 lead nurturing campaigns running at any time, with an average of three steps or “touches” defined for each.

Case Study: Dell AppAssure Keeps the Conversation Going

Dell AppAssure provides server, data, and application protection with integrated backup, replication and recovery software. AppAssure manages a multi-step, multi-channel technical sale using a rigorous marketing lead management process.

Content is King

To attract a highly educated, technical customer, AppAssure invests significantly in content-based marketing. They use a combination of in-bound and out-bound marketing to attract an audience, including social media and community outreach, and email-, events-, and search-based marketing.

“Our marketing content is mapped to both the use case, be it physical servers, virtual, or cloud-based, and the stage of the funnel,” said Mark Halliday, director of revenue marketing for Dell AppAssure. “We’re very effective in drawing an audience, the challenge is how to continue the conversation and understand where someone is in the buying cycle.”

Lead Scoring and Ranking

The goal of AppAssure’s lead scoring and ranking is both to determine the right time to advance a contact to the next stage of the funnel and to triage leads for sales, providing prioritization in sales’ calling queues. The company uses a matrixed approach to lead scoring that factors both demographic and behavioral data.

“We ultimately look to see if the contact looks like a customer; in other words is it the right size company, the right type of buyers, and so forth, and if they act like a buyer,” Halliday said.

continued

Case Study: Dell AppAssure Keeps the Conversation Going

The lead scoring model was developed initially based on feedback from sales using what Halliday calls a “common sense” approach, and has been continually adjusted, using the rate of sales-accepted leads as a kind of sensitivity test for the model. Leads that aren’t touched by sales after a period of time are returned to marketing for nurturing based on several pre-defined, solution-specific nurture campaigns. Sales can also designate leads that aren’t “sales-ready” for nurturing. Contacts receive an average of one touch a month, but AppAssure also uses lead scoring to send more frequent communications to prospects based on trigger events, like a response to a campaign.

Marketing-Sales Alignment

A key aspect of marketing-sales alignment at AppAssure is the ability for marketing to pass lead to sales, providing rich context for the buyer’s interests based on the marketing activities they’ve responded to. The activity that’s being used to score leads also provides lead enrichment that can help sales have a more informed and successful dialogue with buyers.

AppAssure uses a marketing automation solution to support its marketing operations, and to measure the effectiveness of them.

“Automation is ultimately about being able scale the conversation we’re having with buyers, and providing feedback about how we’re doing,” said Halliday. “There’s no silver bullet. It’s all about incremental gains—looking at what you’re doing today and figuring out how to do it a bit better tomorrow.”

The Rise of Marketing Operations

Marketing operations have become the new heroes of the marketing world, often serving as a consigliere to the savvy, data-driven CMO or Marketing VP. Figure 8 shows that dedicated resources responsible for marketing operations and optimization are more prevalent among Best-in-Class companies. The marketing operations role is often the driving force for definition, standardization, and measurement of marketing lead management processes.

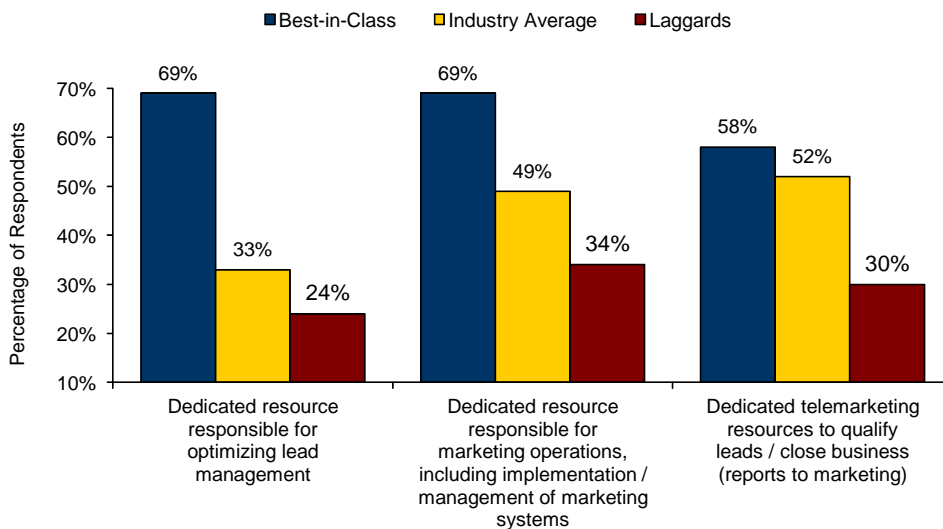
As discussed in *Revenue Performance Management Demystified* (June 2012), consistent processes that yield consistent metrics are fundamental to marketing process optimization (a.k.a. revenue performance management). At the operational level, the way that campaigns are designed and implemented within a marketing automation software solution can have a significant impact on the way metrics are reported out from those campaigns. A marketing operations function responsible for setting standards, and in some cases directly responsible for setting up or modifying campaigns, can go a long way towards establishing control and consistency of marketing processes. These individuals or groups may provide a “service bureau” function, acting as agents to

Fast Facts

- √ Best-in-Class companies are 60% more likely than other firms to have dedicated marketing operations resources
- √ 58% of Best-in-Class companies have dedicated telemarketing resources reporting to marketing with responsible for qualifying leads and / or closing business, compared with 43% of all other companies

implement campaigns in the marketing systems. While this approach won't work for every company, it can be an effective means of establishing adoption and standardization across campaigns.

Figure 8: Marketing Operations - The CMO's Consigliore



“We use our business development reps to qualify leads before they are handed off to the field sales team; helping to maximize the sales team’s time on selling rather than screening. As part of that process, we are increasingly using lead scoring as a way to prioritize what the BD team is working on.”

~ Jim Freeley, Director of Marketing Programs, Globoforce

n = 163

Source: Aberdeen Group, May 2012

Aberdeen Insight — Telemarketing

With all the talk of inbound and content-based marketing, marketers would be excused from thinking that telemarketing / teleprospecting had gone the way of the door-to-door salesman. In fact, not only is telemarketing alive and well, it’s used by a higher percentage of Best-in-Class companies compared with others. Sixty-three percent (63%) of Best-in-Class companies use outbound telemarketing, compared with 44% of Industry Average and 29% of Laggard companies. And as seen in Figure 8, Best-in-Class companies are 35% more likely than other companies to have dedicated telemarketing resources *that report to marketing* in place. Companies frequently use such groups to qualify leads that meet a certain criteria before being passed to field sales for engagement, because in some cases, nothing can replace the value of personal, human contact between seller and prospect. Lead scoring and nurturing can be used effectively in combination with telemarketing, first to prioritize leads for calling, as well as to engage and reconnect with buyers who aren’t “sales ready” at the first contact. Further evidence of the efficacy of this practice is that companies with dedicated telemarketing resources to qualify leads enjoy a 48% higher marketing-qualified to sales-qualified lead conversion rate (27% vs. 18%).



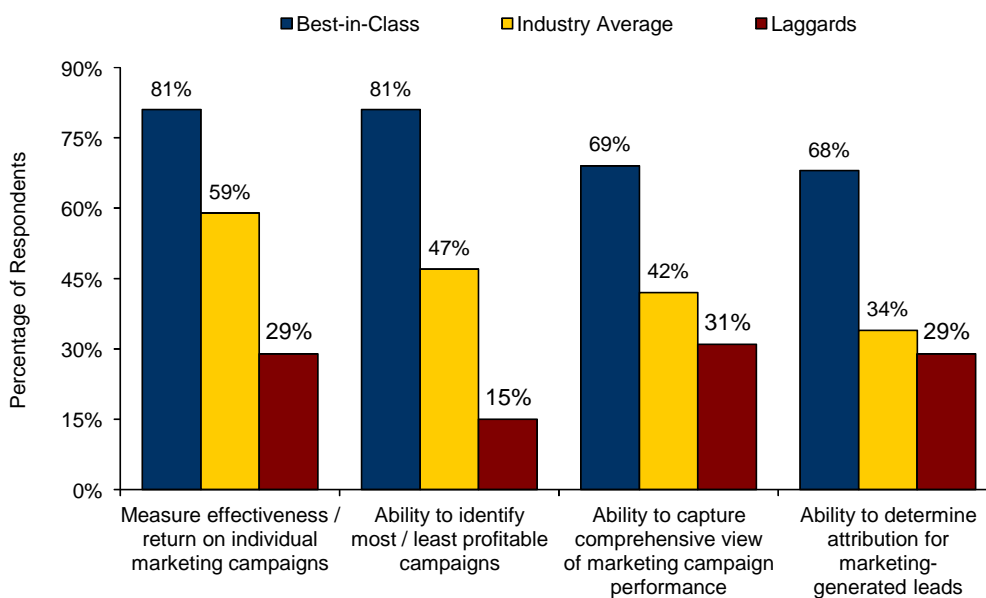
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63% of Best-in-Class companies use outbound telemarketing, compared with 38% of all other firms #DemandGen

Beyond Conversion Rates: Revenue Performance Management

For most organizations, conversion rate metrics are the foundation for marketing lead process performance management. Just as companies must have the foundations of lead management in place before adopting advanced competencies like nurturing and scoring, conversion rates provide the basis for many other performance measures. Not surprisingly, 24% of Laggard companies aren't measuring the conversion rate from marketing response to Marketing-Qualified Lead (MQL) and 33% of them don't measure MQL to sales-qualified lead. One reason for this is that they may simply not have these marketing funnel stages defined, let alone systems that would allow them to track them.

Figure 9: The Performance of Marketing Performance Management



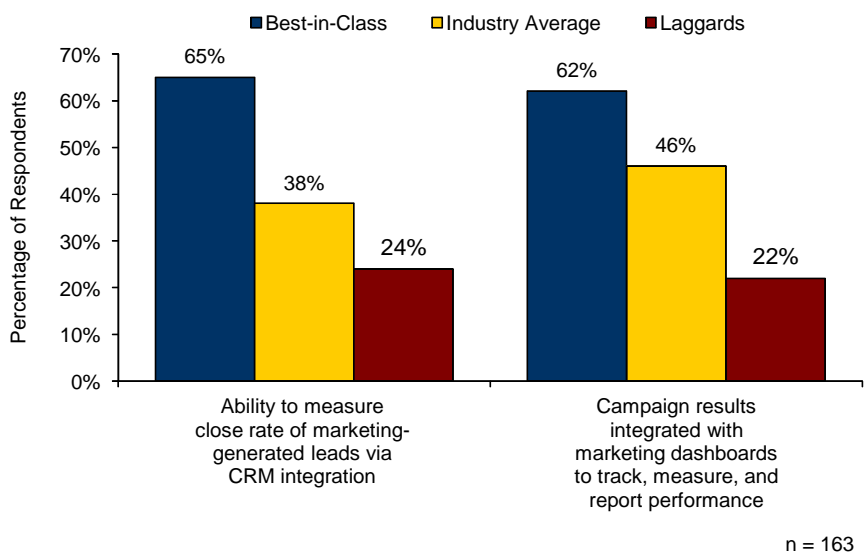
n = 163

Source: Aberdeen Group, May 2012

The performance management capabilities shown in Figure 9 represent levels 4 and 5 in the marketing lead management maturity model: measured and optimized. The capabilities associated with measuring the effectiveness or return on individual marketing campaigns address the lead quality challenge by providing long-term data inputs that can be used to make future campaign decisions (i.e. whether to use a particular lead source). But of course, as in investing, past performance does not guarantee future success (especially these days), so marketers will be well served to “unpack” aspects of a campaign to examine its success. In other words, knowing that a campaign performed well is great, but knowing why a campaign performed well is even better because those aspects can be replicated. Here again, granular, process-level metrics, i.e. conversion rates, will be invaluable. Identifying the performance of discreet campaigns also requires an

attribution model, particularly in complex, multi-touch, multi-channel deals. That's of course because prospects that become customers will have been exposed to multiple campaigns, content, and communications in the course of a marketing and sales cycle. One way to keep things simple for companies just getting started with attribution is to use a super-simple model, like "first touch." For example, 100% of attribution is given to the campaign or call-to-action that resulted in the first conversion. More sophisticated models weight the touches based on first touch plus other milestones, perhaps incorporate all significant touches and content; first and last touch is also popular.

Figure 10: Closing the Loop with CRM Integration



Source: Aberdeen Group, May 2012

Closing the Loop

There is a significant difference in the ability of Best-in-Class, Industry Average and Laggard companies to measure the close rate of marketing-generated leads via CRM integration, as seen in Figure 10. This capability is certainly critical for true closed-loop reporting of marketing results, and the lack of this and other core lead management practices among lower-performing companies suggests that these firms are essentially throwing leads "over the wall" to sales without real visibility into what happens to them. Either the leads are working great and they have no idea (and get no credit), or they're terrible and these firms are wasting money on marketing campaigns that don't perform (or the leads simply aren't getting touched by sales in the first place). The effectiveness of this reporting will therefore be limited to the extent that (a) the organization has a CRM system in place and (b) the system is used at least nominally by the sales organization to track opportunities and capture final deal status.

"There's no silver bullet. It's all about incremental gains—looking at what you're doing today and figuring out how to do it a bit better tomorrow."

~ Mark Halliday, director of revenue marketing for Dell AppAssure

Technology

The technology that has become synonymous with marketing lead management is the marketing automation software suite, a.k.a. marketing automation. However, there are a number of other solutions that support management of the end-to-end lead management, including CRM and sales force automation, email marketing (stand-alone or integrated with marketing automation), campaign management, and the marketing database, just to name a few. Table 2 shows the relative adoption of these technologies by performance cohort.

Table 2: Best-in-Class Marketing Technology Adoption

	Best-in-Class	Average	Laggards
Email marketing system	88%	76%	67%
CRM / sales force automation	86%	64%	60%
Web analytics	75%	56%	64%
Marketing automation software suite	63%	40%	36%
Cookie-based website tracking	63%	46%	57%
Outbound telemarketing	63%	44%	29%
Inbound telemarketing	43%	38%	21%
Marketing analytics tools	43%	29%	7%
Marketing automation consultant / services	43%	32%	14%
Content marketing platform	38%	32%	21%
Marketing asset management	29%	13%	7%
Revenue performance management software	29%	9%	7%

Source: Aberdeen Group, May 2012

Not only is the use of marketing automation software 66% higher among Best-in-Class companies vs. all others, utilization of the functionality within these systems varies significantly across performance cohorts. As seen in Figure 11, which shows the rate of adoption of marketing automation functionality among the companies using such solutions, use of email and

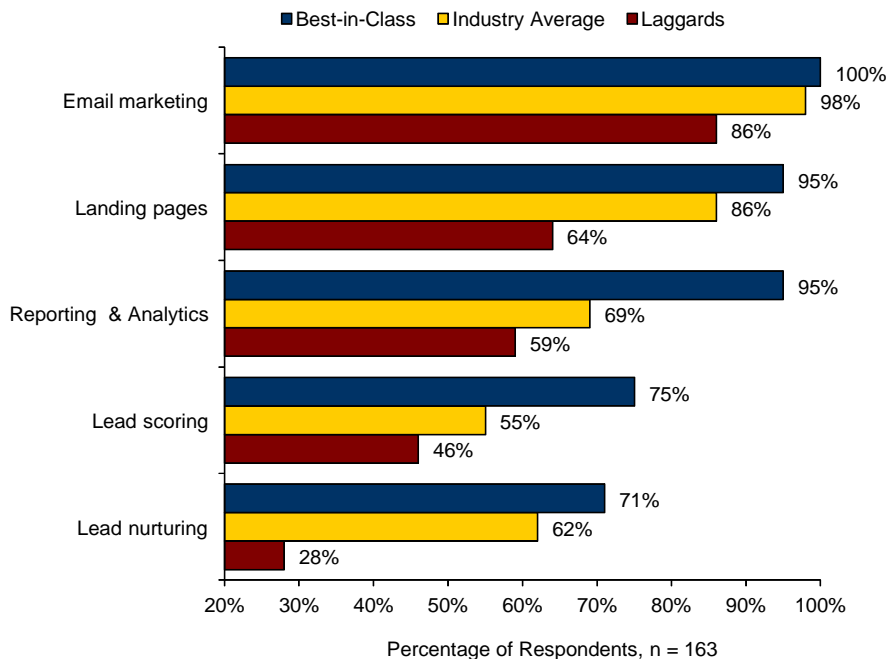
Demographics

Of the 163 responding organizations, demographics include the following:

- **Job title:** Senior Management (22%); General Manager / Managing Director / Principal (8%); EVP / SVP / VP (17%); Director (17%); Manager (22%); Other (22%)
- **Department / function:** Marketing (50%); Business Development / Sales (26%); Corporate Management (10%); Other (14%)
- **Segment:** Software (24%); IT Consulting / Services (11%); Manufacturing (8%); Financial Services (7%); Healthcare / Pharmaceuticals (7%); Other (43%)
- **Geography:** Americas (70%); APAC region (3%) and EMEA (27%)
- **Company size:** Large enterprises (annual revenues above US \$1 billion)- 9%; midsize enterprises (annual revenues between \$50 million and \$1 billion)- 33%; and small businesses (annual revenues of \$50 million or less)- 58%
- **Company size:** Enterprises (more than 1,000 employees) - 22%; mid-size business (101-1,000 employees) - 30%; and small businesses (1-100 employees) - 48%

landing pages is fairly pervasive (though the Best-in-Class utilize even these functions at a higher rate), but adoption drops precipitously among Industry Average and Laggard companies when we look at more sophisticated functionality, like reporting and analytics, lead scoring, and lead nurturing.

Figure 11: A Supercar Drives Miss Daisy - Rate of “Active” Marketing Automation Functional Adoption



Source: Aberdeen Group, May 2012

While there’s certainly value in using marketing automation solutions to send email, and create landing pages and website forms, it’s a bit like using a supercar to drive Miss Daisy around town. On the other hand, the lack of defined and repeatable lead management processes in place among lower-performing companies suggests that they’re not ready for this functionality in the first place. A number of firms, including 43% of Best-in-Class companies, are utilizing marketing automation consulting services to help kick-start their implementation. In fact, marketing automation can often serve as a catalyst for firm to document their marketing processes (often for the first time), and implement programs to standardize and measure them.

Recommendations

Best-in-Class companies report higher effectiveness in a range of marketing lead management processes, as seen in Figure 12 (percentage of companies reporting that they’re effective (4) or very effective (5) on a 1-5 scale). Companies looking to improve their own marketing effectiveness should consider evaluating their current state using the marketing process maturity

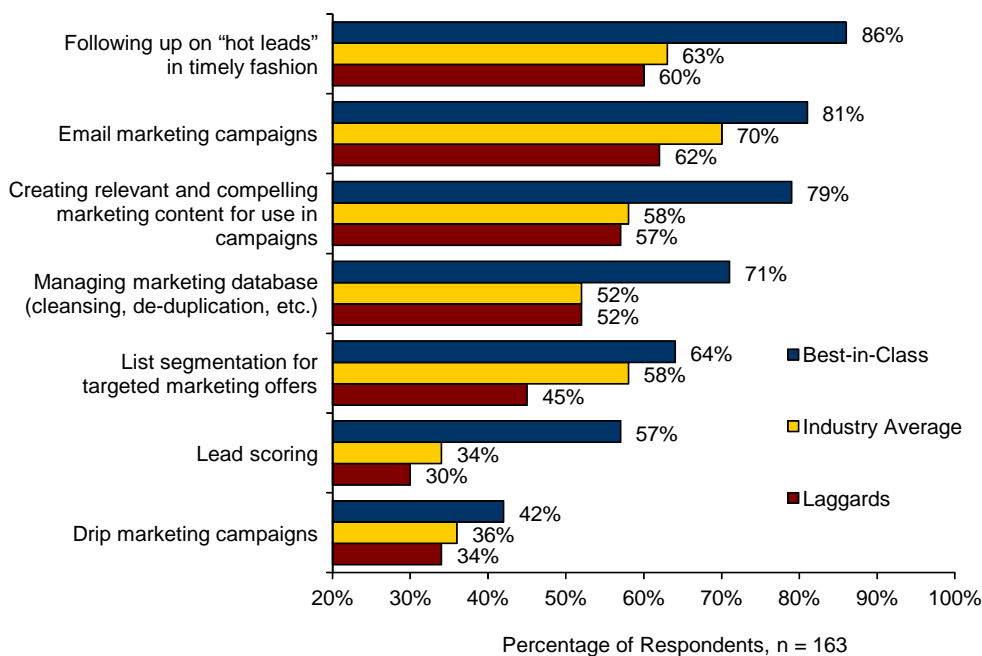


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Only 28% of Laggard companies utilize the lead nurturing functionality within marketing automation systems, compared with 71% of Best-in-Class firms
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model presented here, and by thoughtfully pursuing the best practices identified through Best-in-Class adoption.

Figure 12: The Path to Best-in-Class Performance: Marketing Lead Management Effectiveness



Source: Aberdeen Group, May 2012

Laggard Steps for Success

Laggard companies may feel overwhelmed by the challenge in front of them. They're advised to start at the beginning, by building a foundation of lead management processes, such as identifying what a qualified lead looks like and developing clear process for lead progression, especially for the hand-off between marketing and sales. They may find that they have some foundations to build on already. Moreover, Laggards should reconsider the notion of "good leads" at the top of the funnel - they're largely a myth.

- **Find out what you've got.** Start by taking an inventory or audit of the lead management processes currently implemented. Ad hoc processes that work will provide the building blocks for establishing successful norms. Be sure to include sales in this discovery. Sales is a resourceful group and is likely to have developed its own lead management / nurturing "hacks" that could be fully operationalized.
- **Keep it simple.** While it sounds simple enough, there are certainly more than a few companies that have put the cart before the horse when it comes to marketing automation. Start with the basics – a common definition of a lead across marketing and sales, clear process to hand off a qualified lead from marketing to sales, and some basic

reporting to find out if any of it is actually working. Then, build competencies from there. Additionally, tracking conversion metrics and the close rate of marketing-generated leads will be critical in measuring success.

- **ABC (Always be Calling).** Telemarketing may be out of vogue, but if handled correctly it can be a cost-effective means to identify and qualify contacts and progress leads.

Industry Average Steps for Success

Marketing lead management is going through an automation process not unlike that experience by other parts of the business and other industries (e.g. ERP, supply chain automation, straight-through processing). The gap between Industry Average and Best-in-Class adoption shows significant opportunities for improvement.

- **Define the problem.** If the problem is lead quality, marketing should define what a quality, qualified lead is. Bringing sales into this discussion may not always improve the outcome of the definition, but it's likely to at least produce better results politically by developing a shared ownership for lead qualification, and build confidence that leads being passed to sales are worth their time and attention. Just 50% of Industry Average companies are doing this today, compared with 70% of Best-in-Class firms.
- **Back to the basics.** Industry Average firms are likely to have a number of their marketing processes automated, but are less likely to be focused on the end-to-end lead process. These firms should evaluate their current process and identify gaps, particularly in the marketing-to-sales hand off. For example, what percentage of marketing-qualified leads are being touched by sales? If this number is low, it's a good indication that the process is broken (keep in mind that this may just be a resource issue, not necessarily an issue with lead quality or qualification). These companies should then define and document their lead processes, as consistency will help drive better measurement and, ultimately, optimization.
- **Start keeping score.** Lead scoring may be imperfect, but even a relatively simple scoring processes can play a valuable role in helping organizations prioritize leads for follow up, and thus allocate limited resources more effectively. While lead nurturing goes hand-in-hand with scoring, the two aren't necessarily co-dependent. In the age of the educated, connected buyer, it's unlikely that a prospect will be ready to buy from you after the first webinar. In fact, Aberdeen's data shows that customers receive an average of 10.8 marketing touches as prospects. Companies should use these touches to not only inform and educate, but to establish a relationship that gives the prospect a sense of the kind of company with whom they'll be doing business.
 - **Measure for measure.** While everything worth doing can't be measured, success in lead management certainly can be. Once the



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foundations are in place, Industry Average companies should develop processes to track the return on marketing campaigns through both “small” and “large” metrics. Metrics that are closely associated with campaign execution, like open and response rates, as well as metrics pertaining to the performance of marketing responses through the funnel, or at least to a meaningful point in the funnel like marketing- or sales-qualified lead, are both key to success. Doing so generally requires implementation of some marketing automation solution, and companies should take care to set up campaigns consistently, so those conversion metrics have apples-to-apples comparative value.

Best-in-Class Steps to Success

Best-in-Class companies have established the fundamentals of marketing lead management, and a fair percentage are employing advanced capabilities, but their journey is far from over.

- **Nurture lead nurturing.** While 65% of Best-in-Class firms have the ability to define a multi-step lead nurturing process, and 71% of those with a marketing automation system use this functionality, only 42% of the Best-in-Class cite high effectiveness in executing drip marketing campaigns (a form of lead nurturing). One nuance that Best-in-Class companies should consider is behavior- or trigger-based lead nurturing, whereby targeted messages are sent to prospects based on pre-defined activity, like a website visit or response to email (only 26% of Best-in-Class companies are doing this today).
- **Lead scoring 2.0.** Best-in-Class companies are on the right track by involving sales in developing the lead scoring criteria, but scoring models should become more data-driven. For example, the largest percentage of Best-in-Class companies (78%) use data from the landing page form fill to score leads, compared with 53% that use triggers or event data, and 48% that use previous purchase history. These firms should consider predictive analytics (frequently being hailed as “big data”) solutions to support scoring models, joining the 25% of Best-in-Class companies using them today.
- **Rev up Revenue Performance Management (RPM).** RPM represents the pinnacle of marketing process management: optimized. As processes are automated, analysis of the resulting metadata is used to provide a feedback loop used for continual improvement of the processes with the end in mind. Call it marketing process kaizen². Just

Revenue Performance Management (RPM) Explained

Revenue performance management is a way of looking at marketing operations through a data lens and operationalizing that data to make better decisions about where to invest marketing resources. In so doing, organizations using RPM can optimize the interactions with potential buyers across the entire revenue cycle, and deliver more accurate forecasting of marketing outcomes. RPM is not a new product category (as 98% of respondents agreed), nor should it be dismissed as just another TLA (three letter acronym).

Adapted from [Revenue Performance Management Demystified](#); Aberdeen Group, June 2012

² Japanese for “improvement,” which according to the [Wikipedia definition](#) “refers to philosophy or practices that focus upon continuous improvement of processes in manufacturing, engineering, game development, and business management.”

20% of Best-in-Class companies have an RPM initiative in place today, but 30% are planning to implement one. Readers interested in the topic are encouraged to read Aberdeen's June 2012 [Revenue Performance Management Demystified](#) report.

For more information on this or other research topics, please visit www.aberdeen.com.



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Related Research

[Revenue Performance Management Demystified](#); June 2012

[Web Experience Management: From Content to Customer](#); June 2012
[B2B Social Media Marketing: Are We There Yet?](#); March 2012

[Sales and Marketing Alignment: The New Power Couple](#); December 2011

[The Marketing Executive's Agenda for 2012: Uncovering the Hidden Sales Cycle](#); October 2011

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