

WHITE PAPER

No Leads Left Behind:  
Nurture and Recycle Leads to  
Maximize Revenue Potential

## Drive Sales by Nurturing and Recycling Leads

The traditional approach to business-to-business marketing communication involving a buyer-seller relationship is becoming more and more costly and time consuming. Companies that want to survive economically are learning to adapt by finding new ways to attract good customers and quickly transition them through the sales cycle.

The concept of “Demand Gen”—the ability to generate interest and demand in your company—has become a major focus for smart marketers. And, new technology is changing all the rules.

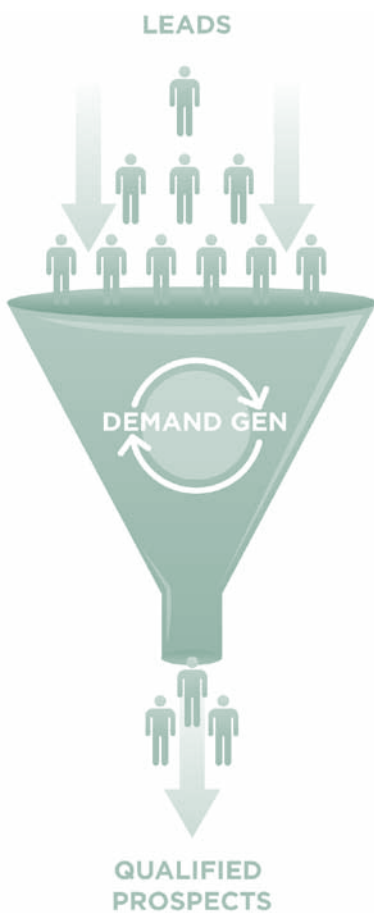
The difference in today’s marketplace comes from the many new ways that customers are able to gather information, especially online. A potential buyer can now simply access web-based search engines to learn about any product category. These search results can take the prospect to a virtually endless library of online demos, brochures, white papers, technical specs, performance data, price sheets and much more, including current customer testimonials.

The Internet has created virtual sales representatives, and prospective buyers determine how the selling relationship works. In fact, studies have shown that 93.2% of B2B decision-makers said they research purchases online before buying.<sup>1</sup>

## New Technology Can Help Manage Your Demand Gen

It’s a big challenge for sales and marketing staffs to handle multiple leads at the same time, but exciting new technology solutions can effectively automate the process for you. Marketing automation software programs, like LoopFuse, can be used to collect prospect contact information, track user actions on your website and schedule periodic touches, such as e-blasts that automatically get distributed to a prospect after certain actions have been taken online.

By using marketing automation technology, you’re able to keep in constant touch with potential buyers, and your sales and marketing people don’t have to devote a lot of time or energy to keep track of the details manually. By implementing an automated system, you can collect data in real-time and monitor individual actions from prospects—such as when they follow website links or other calls to action on your site.



More and more, B2B buyers look online for information about products and services. Determining a prospect’s level of interest using demand generation tactics such as e-mail marketing, webinars, downloadable white papers and other content rich materials helps organizations target those prospects who are most qualified.

<sup>1</sup> Source: *The Role of Search in Business-to-Business Buying Decisions*, Enquiro Research, 06/05

Marketing automation systems can also integrate with your organization's CRM software so sales reps can easily find out what products and services their assigned prospects are most interested in, and it can also send automated reminders to staff that it's time for the sales rep to initiate contact with a particular prospect. The combination of these powerful technologies is quickly becoming an integral component of effective lead management programs in many B2B organizations.

## Scoring and Prioritizing Leads

Implementing a Demand Gen process should quickly get customer inquiries pouring in, and marketing automation software will help you collect and manage data about those prospects. The next challenge is determining which of those leads to pursue, and how aggressively. That's where you need a Lead Scoring process to measure and rank the viability and sales-readiness of prospective buyers. This enables sales and marketing teams to channel their efforts. Like a filtration system, lead scoring allows the best prospects to move farther through the pipeline, and keeps the lower opportunity prospects from clogging up the system.

Lead scoring is just what it says: you actually assign a numerical score to each lead based on total accumulated points earned. The actual numbering system is up to you (for example, 0 – 10, 1-100, etc.) as long as it's consistent, and in agreement with criteria your sales representatives use to define selling opportunities. Once the point totals are assigned, you can then categorize leads into groups based on sales criteria, such as "A" level scores being the best (most likely to buy), "B" for the next level down, and so forth.

Prospects earn lead-scoring points through both "explicit" criteria—such as industry type, company size, job title, etc.—and "implicit" information based on their behavior. Implicit factors include the person's online activities regarding frequency and length of website visits, e-mails opened, webinar attendance, information requests, etc.—all activity that can be captured using marketing automation systems.

In a typical scenario, as soon as a prospect visits your website and joins your database, you can start assigning points toward a lead score. Then every behavioral event (repeat visits, links followed, materials downloaded, questions asked, etc.) earns additional points on his or her lead score.

Prospects who show more interest in your products or services deserve higher lead scores, indicating that they are closer to a purchase decision, or at least more ready for a sales conversation. That's when you prioritize and allocate more resources based on the prospect's sales-readiness.

The point of the scoring system is to identify better leads, not just more leads. Lead scoring gets rid of the traditional, inefficient "spray and pray" marketing approaches, where you simply go after anybody, hoping to capture



Traditional approaches to B2B communications were based on sending out one-way, outbound communications with the hope that potential buyers would emerge. The resulting leads from this approach rarely included information sales reps could use to qualify the opportunity, and the unfocused approach proved to be costly.

some likely customers. A smarter approach is follow insightful, step-by-step methodologies to identify, foster and selectively pursue leads with different levels of priority.

A useful step is to create a categorized database of both short- and long-term prospects have been classified based on your organization's scoring criteria. That puts them on the prospecting map, and dovetails with the B2B marketing concept known as Lead Nurturing.

## Lead Nurturing: Doing More With Prospects You Have

One of the most fundamental but often overlooked aspects of sales and marketing is Lead Nurturing which is the practice of tending to, and caring for leads that don't fit the criteria of being ready to purchase.

Industry analysts believe that in B2B relationships, as many as 70 – 80 percent of leads are qualified but aren't "sales-ready" when they first express interest in a product or service, but they will be eventually. Therefore, marketers that focus on only the most qualified prospects can miss out on long-term sales.

The idea of nurturing has little appeal to traditional sales professionals who want to pounce on "hot" leads and ripe opportunities with immediate payback. Cultivating and nurturing leads can sound like the opposite of the low-hanging fruit.

In today's environment, businesses cannot let any opportunity slide past. "Leave no stone unturned" has never been more valid. All qualified leads, even those previously overlooked, should be included in a formal Lead Nurturing process.

## Recycling Leads

Another facet of Lead Nurturing is "Lead Recycling," or "Lead Reengagement" which involves resurrecting previously overlooked leads to re-evaluate their sales readiness. It's much more cost-effective to pull out these initially overlooked leads and "recycle" them, rather than spend money on more lead generating efforts. Even if prospects are not actively in purchase mode, when you reengage someone who has previously expressed interest in your products or services, it's to your advantage to keep them engaged through your nurturing process and build a trusting relationship over time.

Re-engaging with prospects also allows sales people to collect additional information, and to recognize unexpected opportunities that may arise. Nurturing those leads means they'll be ready to buy from you when the time comes, and not from your competitors.



Recycling or reengaging leads using nurturing methodology will help a company capitalize on previously overlooked opportunities because they will be top-of-mind when the prospect is ready to make a buying decision.

<sup>2</sup>Technology for Marketing & Advertising, 2009

You'll also want to recycle your dormant customers who have not purchased from you within the past year or longer. These former customers also need to be contacted and nurtured to identify additional selling opportunities.

## Maximizing The Nurturing Process

Let's assume that you've got a base of qualified potential buyers who are only in the "just looking" stage of the purchase cycle. Many companies would historically drop those leads if they don't represent a short-term benefit, but with Lead Nurturing, the process of converting those prospects is just getting warmed up.



Effective Lead Nurturing processes involve delivering useful, relevant information to prospects using various marketing communications touch points. Over time, those prospects will emerge as qualified buyers at which point the opportunity can be handed off to sales.

As with anyone early in the B2B sales cycle, that prospect responded to you out of curiosity, because your company had something interesting to offer, possibly a solution to a certain problem. That's a good place to start nurturing with timely touches. Offer the prospect additional relevant information to feed that curiosity, and position yourself as a helpful, "knowledge" expert. Be careful not to come on too strong, though. Leads that aren't sales-ready might be scared away by an aggressive pitch.

Nurture marketing takes time and involves multi-tiered, interactive approaches. Use a variety of tactics to appeal to the prospect at different levels of involvement. Think of Lead Nurturing as a mutually educational dialogue. For example, if you're tracking a prospect's activity at your website, you can determine what content is getting and holding their attention, and then you can customize a response based on those timely interchanges. Are they looking for industry news? Product extensions? Are there seasonal issues? Knowing what prospects want makes it a lot easier to ask the right questions at the right times. It also helps you get a sense for where they may be in the buying cycle.

Armed with that knowledge, you can tailor communications that play into their susceptible touch points: e-mails, webinars, events, direct mail, etc. It can even let you know when it's time to follow up with a personal phone call from a sales representative.

## The Rewards Are There For The Taking

As the idea of Lead Nurturing gains momentum, more organizations are realizing the risks and limitations of focusing on short-term sales prospects.

Industry research has shown that companies which rely on Lead Nurturing processes have decreased the percent of marketing-generated leads that are ignored by sales (from as high as 80 to as low as 25 percent); have raised win rates on marketing-generated leads (7 points higher); have reduced "no decisions" by 6 percent; and have increased the number of sales representatives that make quota (by 9 percent).<sup>3</sup>



Lead Nurturing practices will increase marketing return on investment by increasing the likelihood that sales will follow-up on leads, increasing the win rate of marketing-generated leads, reducing net 'no decisions' from prospective buyers and helping more sales reps make quota.

Furthermore, sales executives have reported that prospects who are nurtured will tend to buy more, require less discounting, and ultimately have shorter sales cycles than prospects who bought but were not nurtured.

To develop your own Lead Nurturing program to help drive new sales and profits, partner with an experienced organization that can understand all of your unique challenges, opportunities, market segments, etc.

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