

INTRODUCTION TO LEAD NURTURING



MARKETING WHITE PAPER

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The Importance of Lead Nurturing in Today's Marketplace

Introduction

Today's businesses frequently find that they face various challenges in their campaign execution strategy. Lead nurturing is a powerful tool that has been proven to have remarkable results. Through this means, companies can keep in communication with prospective clients until they are ready to buy.

If your current sales and marketing strategies don't currently include lead nurturing, you may be losing valuable leads. Even if you have acquired these leads, companies with more effective and advanced communication strategies may be beating you to closing sales. In this paper, we will explore lead nurturing strategies as well as recent statistics pointing to the value of this process. The fact of the matter is that lead nurturing is essential for businesses that are looking to effectively compete in today's market.

The truth is that while many companies are currently still not taking advantage of the power of lead nurturing, marketers are increasingly realizing the importance of these techniques. After all, current technological advances have made the process of nurturing leads quite user friendly. With current software it is much easier to stay in touch with leads than it was in year's past. For example, marketing automation software provides a streamlined yet detailed way to nurture leads. Companies can easily encourage and keep in touch with prospects until a sale is made.

Marketing Professionals and the Value of New Leads

In most companies, marketing professionals are responsible for generating new leads. As a result, they need to consistently work to find improved ways to meet their goals for lead generation. Some current techniques that are utilized for generating leads include SEO and PPC campaigns. While these tools can be quite successful at acquiring leads, they don't necessary convert those leads into sales. When sales goals aren't met, a company can find that although it has many leads, these prospects just remain numbers on a list. The process of acquiring leads can actually be a waste of time and resources when sales conversions are not being made.

As a business professional, you are likely busy performing a variety of tasks at once. As a result, you likely do not have the time to re-engage or nurture leads over a period of months. In many cases, marketers also lack the proper tools to effectively process these leads. Clearly in this situation, the money that is being spent on acquiring leads is not as productive as a business may intend for it to be. Oftentimes leads are acquired, but these leads are not converted into revenue for a company.

Of course, it should come as no surprise that business owners are interested in how they can invest less money on marketing, but increase revenue simultaneously. Further, business owners often endeavor to only hand qualified leads over to sales departments, as their goal is to ensure that the odds are high that a sale will actually go through. However, if you work in marketing, then you already know that consistently generating new leads is necessary.

While companies may debate the value of money spent on marketing versus lead hand over, there is no question that new leads are invaluable. However, of course, no companies want to spend sales time calling unqualified leads. When marketing and sales professionals spend time attempting to communicate with leads that are unqualified, this lack of productivity can waste time and resources.

Cultivating Leads Through Upgraded Technology

Frequently, companies have invested in their websites and marketing, but can't convert this investment into generating leads. An example of this situation would be Google Adwords campaigns. While traffic might be successfully sent to a given website through Google Adwords, if there is no way to capture user information, it is difficult to convert Adwords spending into actual revenue. For example, some companies have integrated landing pages designed to capture contact information details. However, these lead details typically go into manually monitored inboxes, resulting in slow follow-up or no follow-up at all.

Marketing Automation software offers a landing page, but combines this feature with trigger email campaigns. In fact, with the right software, companies will be able to quickly create landing pages even if they don't know HTML, as these tools can be integrated without a great deal of technical knowledge. This type of software offers a practical solution that doesn't require companies to spend a great deal of time on integration and setup.

Trigger email campaigns are then integrated to execute a series of emails that successfully target the lead. The end result is better lead conversion rates. Companies receive more leads and better quality leads as well.

How Does Lead Nurturing Work?



Even in today's high tech world, many marketing organizations work with very basic tools. Therefore, there may be a lack of integration between systems and data. However, there are ways for marketing professionals to integrate the next generation of marketing tools without totally restructuring their operations.

For example, marketing automation software is helpful to companies, especially those that are used to working with basic email marketing. These companies often need a more sophisticated approach to score and nurture leads, and use permission based marketing.

The process of lead nurturing keeps the product or service in the potential customer's mind until he or she is ready to buy. Part of the process includes good communication. During the lead nurturing process, the company educates and builds a trusted relationship with the prospect.



Effective Lead Nurturing require good content, targeted at the right audience. Marketers need to provide their prospect with quality content related to the prospects buying stage.

Your company may currently not be nurturing leads, but this process has been proven to be essential for successful companies. According to Forrester Research, for example, companies that are excellent at lead nurturing can generate twice as many leads that are ready to buy. This is done at a cost that is 33% lower per lead. *

One of the major advantages of lead nurturing is that it helps to classify categories of leads. In fact, marketing automation software can automatically separate leads into different categories so that a company is aware of those that are qualified versus unqualified. This functionality alone can allow marketing and sales professionals to better utilize their time and resources by only personally calling or emailing the most qualified leads.

New prospects will receive different types of messages or information based on their actions. For example, if they make a purchase, don't sign up for an offer or read an article, this can release sales related triggers that are targeted to them. This path is also adjustable depending on the actions that a prospect takes.

Due to the fact that lead nurturing also takes the behavior of prospects into account, sales people can prioritize how they use their time. In other words, they can work on the best leads, while still communicating with prospects in the pipeline.

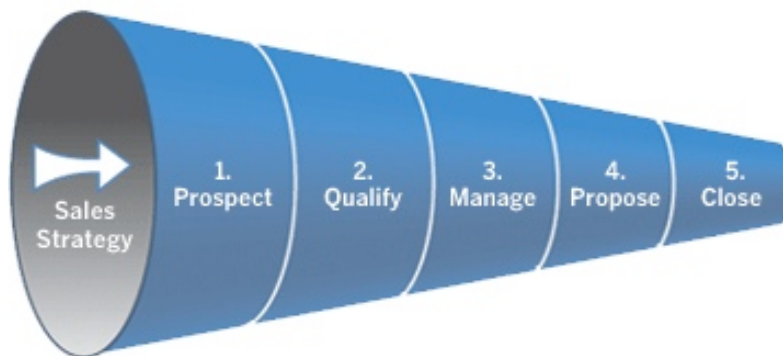
When marketing and sales professionals can better prioritize their time and efforts, this equates to more productivity and increased sales.

Capturing and Converting Leads

Marketers realize that once a lead is captured, that is not the end of the process. Leads must be converted into revenue. Marketers face various challenges in this area. Oftentimes salespeople aren't able to follow up on the majority of leads. In other cases, the leads are not qualified yet and need to be sent back. Through automation of this process, marketing automation solutions streamline the process of nurturing leads.

In a study for Cahner's Business, sales expert Mac McIntosh reported on a study that surveyed 40,000 inquiries that were produced by ads and press releases. This research showed that 6 months after the leads were acquired 23% of prospects had bought the product and service. However, 67% indicated that they still planned to make a purchase. According to these statistics, in the end, only 10% of leads turned out to be "cold" prospects. **

These statistics clearly indicate that you work for a company that does not cultivate leads; you are missing out on potential sales. It takes prospects longer than you might think to make a decision about what products and services to purchase. According to this Cahner's study, 23% of new leads intend to make a purchase but take up to 6 months to do so. Further, even after 6 month's time, 67% of your leads may still, in fact, be interested.



Lead generation is only the first step. Leads need to be converted into qualified leads before engaging sales. Lead Nurturing is about converting leads into qualified leads. Lead Nurturing campaigns can also help sales move opportunities through the sales pipeline with promotions and special deals

SiriusDecision research has shown that in just 5 years the sales cycle has expanded by 22%***. This means that your leads are not going to be converting as fast as they used to. Not to mention, three or more decision makers may now be part of the process.

Marketers will likely lack the time and energy to pursue leads for up to a year. However, that is where the benefits of automated software come in.

Through lead nurturing, you can stay in touch with your prospects during this time period. This communication is achieved automatically, and so a company's marketing staff does not end up wasting time and energy actively pursuing leads that are not yet ready to buy.

Summary

Marketing automation software is ideal for companies that are seeking a better way to generate demand for their products and services. This also includes customer acquisition and up/cross selling to current customers.

Marketing automation can be an effective way to stay in contact with leads through functionality like drip email campaigns. In the end, this process can result in better lead conversion.

Often acquired prospects are not yet at the purchasing stage. In turn, they can be disregarded or disqualified too early. Lead nurturing programs are extremely helpful, because as statistics have indicated many leads that are disqualified actually do end up making a purchase in 12-24 months.

A paper published in 2008 by the Aberdeen Group was called "Lead Nurturing The Secret to Successful Lead Generation. ****" This report concluded that the difference between companies that were highly successful and those that are mediocre was lead nurturing. This report also shows that increasingly companies are making progress in following up on leads.

When the same report was completed in 2005, Aberdeen research showed that sales department did not follow up about 60%-70% of qualified leads. However, currently statistics show that 28% of qualified leads are not followed up upon. Part of this recent success is due to the integration of tools like marketing automation software. Therefore, companies that are not using lead nurturing techniques will soon find that their competitors are easily outperforming them.

It is crucial for savvy marketers to stay ahead of the curve and integrate the best technology for not only maintaining but also encouraging leads. Through this means, sufficient time can be allotted towards allowing prospects to make a decision. Along the way, your potential customers will receive the most appropriate messages. These actions will allow your company and its message to firmly stay front and center in the mind of your prospects.

References

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