The Grande Guide to

Lead Nurturing

What's a "Grande Guide"?

> As you might know by now, our Grande Guide series of e-books is all about delivering subject matter proficiency in about the time it takes to drink your 16-ounce morning coffee. We do our best to stick to that brand promise. Today's Grande Guide explores one of the most important processes in marketing: Lead Nurturing.
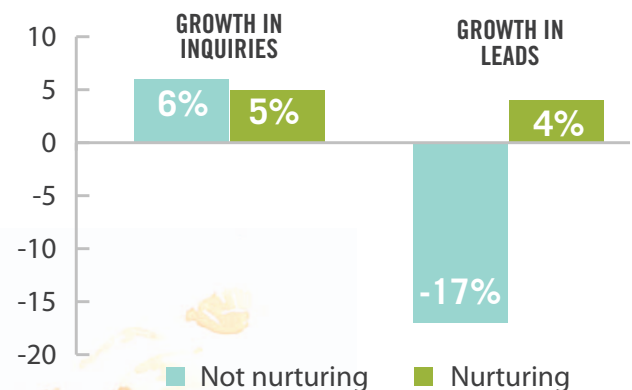
What's Lead Nurturing?

> At its core, **lead nurturing** is the process of cultivating leads that are not yet ready to buy. Successful lead nurturing anticipates the needs of the buyer based on who they are (using profile characteristics like title, role, industry, etc.) and where they are at in the buying process. Nurturing keeps prospects engaged by providing relevant content (such as white papers or webinars) that are the best fit for their situation.

> If done well, nurturing can build strong brand loyalty long before a prospect is ready to buy. By cultivating latent demand, companies can increase the conversion of unqualified leads to opportunities and drive more revenue. Nurturing also helps accelerate active opportunities by giving prospective buyers the information they need to make purchasing decisions.

> Lead nurturing is about helping buyers along in their educational journey. So it's most effective when triggered by prospects' activity or behavior. Lead management technologies are often used to automate such real-time marketing. This type of software makes it possible to track leads and automate the delivery of content, while simultaneously collecting behavioral data and triggering corresponding actions.

Why Does My Business Need to Understand Lead Nurturing?

> Not every prospect is ready to buy now. In fact, according to SiriusDecisions, of the 20% of leads that sales reps follow up on, 70% are disqualified. But it's a mistake to ignore those leads. After all, 80% of prospects that don't make the grade today will go on to buy from you or a competitor within the next 24 months. When they do, you want your company at the top of their short list.

> Once prospects are in the funnel, nurturing them with helpful, relevant content moves potential buyers through each stage of consideration at a natural pace until they're ready to be passed on to sales. Nurturing is the "safety" net for every stage of the buying cycle, helping ensure that no revenue opportunity is missed.

> Lead nurturing is typically focused on converting contacts that are already in your database, not generating new inquiries. Looking at the chart below you can see that companies that don't have a lead nurturing process see a huge drop off in the number of leads they are able to generate for their sales team. Those that nurture can grow leads, and turn those inquires into qualified demand. Without lead nurturing, all those inquiries are nothing more than hand-raisers – they've demonstrated interest, but require further profiling and cultivation before they get passed to sales.

Nurturing shows returns in lead generation: 2nd Half over 1st Half, 2010

GROWTH IN INQUIRIES: 6% (Not nurturing), 5% (Nurturing)

GROWTH IN LEADS: -17% (Not nurturing), 4% (Nurturing)

Legend: Not nurturing / Nurturing

Source: Eloqua

Lead Nurturing Basics

> A common mistake marketers make is to think of lead nurturing as email communication. Instead, think of it as a workflow or series of communications in which every step has a clear and concise objective, whether moving someone to the next stage, or driving another desirable action.

> Effective nurturing incorporates questions, which help you collect the information necessary to continually refine the relevance of your messages and move prospects through the buying cycle.

> Key elements of successful nurturing include:

▶ **Segmenting.** Building lasting relationships based on trust requires intimate knowledge of your prospect so that you can provide them with the most relevant content, messaging and assets. Nurturing paths should be based on unique customer profiles. Segmenting allows you to use title, role, industry or sales stage to account for the nuances in messaging, ensuring your content resonates with the recipient. This will also reduce unsubscribes.

▶ **Customer Nurturing.** Nurturing isn't just for prospects. Even when you're bringing on a new customer, there are plenty of ways to nurture the relationship and drive adoption. Here too is an opportunity to segment based on user role. Is the customer a "champion," a "power user" or an "executive sponsor"? With this knowledge, customers could enter onboarding programs that are tailored to their roles, making their transition smooth and seamless.

▶ **Being customer-focused.** Use personalization whenever possible, calling the customer by name or mentioning the company name. Provide assets relevant to the customer's industry and ensure that every communication is matched to that buyer's need at that point in time. Each communication should be designed to answer a specific question— if you can't answer the question "What's in it for the buyer?" the messaging probably isn't valuable in your nurturing program.

▶ **Progressive profiling.** Requiring registration in exchange for an offer is a practice called "gating," but because lead nurturing typically deals with contacts that already exist in your database, it's not necessary to put forms in front of every offer. Yet there are always gaps in contact records. A practice called "progressive profiling," incrementally asking contacts for additional information, can help you build a rich, actionable dataset on each prospect. With progressive profiling, each time a prospect clicks through on an offer, the system asks for just one or two pieces of information.

For example, in one Eloqua nurturing program, we first provide high-level, thought leadership content with no registration requirement. Next we offer a case study in exchange for information. Then we point prospects to a demo that they can access without registering.

Give to Get
At two points in the buying cycle, you have a prime opportunity to gather information about a contact: when someone is new to your organization and when someone decides to become a customer (or to transact new business with you). During these times, you can increase the frequency and number of touches.

5 Steps to Lead Nurturing Success

Before you define your nurture program, you need to lay the groundwork. By doing so, you'll gain valuable insights and maximize revenue potential.

1. **Understand your buyer.** Prospects go through a series of stages. You need to understand those stages and what content assets best apply to each.
   Interview your customers—and those that didn't buy from you—to define your ideal customer profile and develop buyer personas. What are their pains? What is their purchase process? Why should they be interested in your product? Define what messages are most appropriate at each stage of the buying cycle and who owns the delivery of each communication. Good alignment between marketing and sales will keep the branding, voice, messaging and experience consistent.
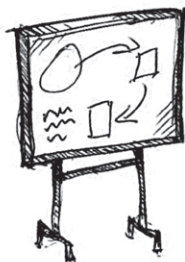
2. **Pinpoint what motivates your buyers.** Analyze your past marketing campaigns and determine how they contributed to revenue. Look at the percentage of responses to campaigns and determine how many leads moved through all stages, and the messages and content offered at each stage.

3. **Whiteboard the ideal user experience.** Come up with a lead nurturing structure that best reflects your buying process and troubleshoot to see where you might have difficulty putting it into practice.
   Consider personalizing the experience based on what you already know about the prospective buyer. Then modify the flow of communication based on that person's behavior and engagement

with your content. Start out with the end goal in mind and create a blueprint. Develop a structure that makes the most sense for your business and try to anticipate any roadblocks to implementing and make revisions. Once your plan is locked down, document it so you can share it and so you'll remember why you made certain decisions.

4. **Define your nurture program.** Determine the campaign goal, message flow, content offers, communication channels (e.g., perhaps email works better than the phone in one stage), and overall cadence based on previous interactions. All of this planning helps define the timing in your automated program.

   Be sure to think through all possible scenarios. If the objective is to send six emails and make three phone calls over eight weeks, what happens if you don't get the intended response? What happens once someone "expires" from a nurture program? How do you keep that prospect engaged and who owns the relationship?

5. **Automate communications.** An automated "welcome campaign" is a great place to get started. Set up automated communications to greet those who enter your database and start delivering educational information. What are the three most important things you want them to know? And, what more do you want to know about them?
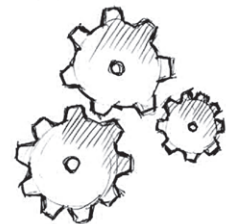
Lead Nurturing Best Practices

If you're ready to join the industry leaders, put the following best practices into play:

> Start simply. Focus on a specific segment of your database with a simple call to action, see how you perform against your goals, and make adjustments. Then slowly add paths based on buyer persona or sales stage and personalize content as you learn what works well and what does not. The key is to focus on incremental steps.

> ▶ For example, a Welcome Program for new leads can be a simple 1-3 touch program that provides new contacts with helpful information about the problems your product or service solves, the kinds of companies you help, and where to find additional information they may find useful (point them to your most popular downloads, for example).

> ▶ Because you likely don't know much about the contact, keep your communications generic to start. For instance, send the same three pieces of information to everyone. Then, as contacts consume your content and spend time on your site, factor in "digital body language" (online behaviors that signal intent to businesses) to personalize future communications.

> ▶ Contacts are much more likely to share information about themselves during the first 30 days they're engaged with you. If you can, automate touch points and use a layered form – or progressive profiling (a process to collect additional information on a prospect incrementally and unobtrusively) – approach to gather information. As contacts engage with you and move further along the path, you can adjust this strategy.

> ▶ Don't overdesign your communications. A simple text-based email with a relevant signature (perhaps the CEO for the first email and sales rep on subsequent emails) can be just as effective as a fancy HTML email.

> Look for opportunities to automate. Identify a behavior trigger (such as welcome, shopping cart abandonment, or contract renewal) and enter contacts into an automated sequence where either an action or a date stamp triggers the process.

> Nurture by stage. Using automation, prospects can be moved easily into different nurturing paths based on a change in lead stage. Through CRM integration, sales reps can be given visibility into where prospects are in the nurturing journey.

> Build and send a progression of messages that lead prospects down a path from awareness to education to validation.

> ▶ Contacts in the "interest stage" should be directed toward a program that "warms up" leads. Collect more information with each communication to ensure the relevance of future messages.

> ▶ Once prospects are ready to evaluate their options, put them into a nurturing program focused on education.

> ▶ As they spend more time visiting your site and consuming your content, prospects should be added into an "accelerator program" designed to move them to the next stage in the buying cycle.

> ▶ If prospects haven't interacted with your company for some time, place them into a re-engagement program that helps determine whether they should remain in your database. Understand when people enter and exit the program. As you're communicating with leads that are not in the active sales cycle, determine how you'll exclude them from lead nurturing once they enter the decision phase. Conversely, if they're not ready to buy, determine how to re-introduce them to your nurture program.

> Once prospects are further down the funnel, carefully manage exclusions. You don't want to send automated emails that duplicate your sales reps' efforts.

> Measure **effectiveness**. Once you've rolled out your nurture program, monitor it for effectiveness by comparing your goals to the right metrics. Like anything else you intend to measure, by defining the purpose of your program, you'll understand which Key Performance Indicators (KPIs) to track.

▶ The easiest place to start is by assessing engagement, such as email open and click-through rates. If these numbers are low, start tweaking your messages, timing, and frequency until you see improvement.

▶ If the goal is to move leads from one stage to the next, track and measure how many are making that jump and how long it takes on average.

▶ If the goal is to accelerate movement through the pipeline, measure the days it takes to move across all stages in the sales cycle.

▶ Consistently analyze and continually adjust your program to account for changes the market, customer behavior and even your organization.

Customer Nurturing

> Once sales opportunities convert to customers, enter them into nurture programs that build loyalty and drive adoption.

▶ New customer on-boarding program. Chances are you can automate at least a portion of the on-boarding experience to drive consistency and increase adoption and usage of your product or service.

▶ Product adoption program. We run a low-usage nurture program when an account dips in terms of landing pages created or emails sent. The customers are entered into a nurture program and sent emails asking:

- Has anything changed in your organization?
- Has your "power user" moved on?
- Do you need more training?

We then make them aware of resources to drive adoption.

▶ Contract renewal program. 90 days from contract renewal, send an email saying, "Your contract renewal is coming up. Do you have any questions?" At 60 days, send an email saying, "Here's your sales rep's contact information and details about your renewal." 30 days out from renewal, send an email saying, "We'll be contacting you soon about your contract." This program warms up your customers so they aren't surprised when the sales rep calls.

Six Types of Lead Nurturing

	Welcome Campaign	Education Campaign	Why us Campaign	Accelerate Campaign	New Customer On-boarding	Customer Loyalty/ Retention
GOAL	Welcome new subscribers	Get them ready to talk to Sales	Overlay your solution on top of their need.	Remove roadblocks, speed purchase decision	Welcome new customers	Retain and develop
DESCRIPTION	• Introduce brand • Reiterate subscription benefits • Spell out next steps • Opt-in to something else	• Engage to further profile prospect • Educate about value prop	• Differentiate your brand from competitors • Reiterate value prop • Include relevant case studies, testimonials	• Provide decision tools	• Thank them • Identify next steps	• Reiterate purchase/ relationship benefit • Seek feedback • Tips/tricks to get the most out of product

Advanced Practices for Lead Nurturing

Build a truly integrated campaign. Tap into the powerful combination of human interaction and automation by integrating email, follow-up phone calls, and reminders triggered in your CRM system.

Combine generic and personalized communications. For example, assume leads are stuck in a certain phase of the cycle – there's been no activity for 60 days and no active buying opportunity, but you want to stay in touch. Send email every two weeks, perhaps about your services or about a certain topic. Intermingle this communication with automated emails that replicate the experience with the sales rep: "Are you ready to talk? We'd love to work with you because …"

Integrate email and outbound teleprospecting. One medium is seldom enough to close a deal.

Re-engage lost deals/no decision. If you capture deals you've lost to the competition or that were disqualified during the sales process, automate a periodic "touch base" communication to check in. See if they're satisfied with their selected vendor and/or are ready to re-engage with your company. For a personalized touch, send the email on behalf of the sales rep that managed the relationship.

Empower Sales Reps

As sales reps add new names to the contact database, empower them to add these names to a nurturing program so they feel confident that contacts are being warmed up instantly.

Lead Nurturing Tools and Technologies

> Tap into the following tools and technologies to streamline your path to lead nurturing success.

> Marketing automation. Automation empowers you to reproduce the intimacy of a one-to-one communication on a much grander scale. With it, you can programmatically manage a dialogue with many people at one time, complete with natural pauses and behavioral signals necessary for a productive conversation. Automation also allows you to monitor a prospect's activity – or lack thereof – and trigger the most appropriate response.

> Cloud Connectors. If you're nurturing an individual in a B2B account, use marketing automation and connectors—plug-ins that allow your other marketing applications (like webinar management tools and social media monitoring systems) to integrate into your marketing automation platform—to improve efficiency and gather information about others within the organization who may be interested in your offering.

> Get information from a third-party data provider and append new data to your record, such as the type of technology solution the prospect's organization now uses.

> Push tasks through CRM to remind sales to call. For example, alert a sales rep when someone reaches a certain stage or reads a certain asset and delegate them to click to trigger a "touch," or correspondence.

> Once recipients open your email, that action could automatically trigger a voice mail or SMS message from your company. The key here is to remember that email is only one method of communication. Mobile, voice and social media are all compelling options as well.

Lead Nurturing in Action

> Wondering how all of these concepts, best practices and technologies come together? Read on to learn how one of our customers, Taleo, developed a lead nurturing strategy that delivered big results for its Talent Management solutions.

▶ Objective

Taleo wanted to use nurturing to drive conversion at every stage of the marketing and sales cycle, and improve deal velocity, pipeline acceleration, sales effectiveness and capacity.

▶ Nurturing Strategy

Taleo's nurturing strategy – revolving around 30+ nurture programs that run daily – provides laser-targeted content to the right person at the right time during the sales cycle. Each individual nurture program has a very focused objective:

- ▶ The *discovery* nuture is aimed at "discovering" missing qualification data at the top of the funnel
- ▶ Taleo's *seed* nurture sends educational content to qualified prospects that aren't yet sales ready, with a goal of moving them to the next level
- ▶ Its *cultivate* nurture delivers targeted content to all marketing **qualified leads** (MQLs) with a goal of converting them to the next stage
- ▶ The *harvest* nurture touches all sales qualified leads (SQLs) with proof points on why they should buy from Taleo
- ▶ Customer *welcome* and *upsell* nurtures are activated once someone becomes a customer
- ▶ *Re-engagement* nurtures are triggered for lost deals

▶ Approach

Taleo appointed a task force that included inside sales, field sales, marketing stakeholders, sales management, marketing management to:

- ▶ Define what constitutes a lead
- ▶ Construct service level agreements for each lead stage
- ▶ Identify who would control the conversation at each point in the buyer's journey
- ▶ Determine the type of message and call to action for each stage
- ▶ Secure buy-in across all constituents

The company built a matrix to map the buyer's journey to its sales cycle, and based on that resource, it determined the right content for each touch point. Taleo's scoring program uses explicit and implicit data to determine the lead rating, which segments leads into suspects, MQLs and SQLs, and ultimately defines ownership, action, and nurture.

▶ Implementation Timeline

Taleo started about two years ago with two simple nurtures and today runs 30+ nurtures daily. As it improves segmentation and targeting, Taleo plans to add more nurture programs, such as vertically focused ones and additional tracks for different title levels and functions (leveraging a sophisticated title normalization program it has developed).

While Taleo architected the strategy, content and blueprint for its nurtures, it partnered with DemandGen for program design and implementation.

▶ Measurable Results
  ▶ Improved conversion rates at every stage of the demand waterfall, most significantly at the top of the funnel
  ▶ Nearly eliminated "unrated" leads in its database as a result of the discovery nurture
  ▶ Increased suspect-to-MQL conversion rate from 8% to 11% on net new leads entering the system
  ▶ Saw an additional 30% of "suspects" (or new visitors) convert to MQLs over time due to its seed nurture
  ▶ Drove a 64% increase in SQL productivity from corporate sales development through cultivate nurtures
  ▶ Increased by 118% the number of opportunities entering the pipeline

▶ Soft Benefits
  Taleo's nurture programs and the level of sophistication in its marketing programs are a huge differentiator in the market. Its ability to generate comparable demand to competitors with a significantly smaller budget and a much smaller sales team. Its lead management infrastructure – with nurturing at the core – has a direct positive impact on its operating margins, which are some of the best in the SaaS market.

"2011 budget plans reflect a shift in thinking beyond the traditional lead-origination mentality of tech marketers. As marketers begin to take more of a lead-to-revenue management (L2RM) approach and think beyond lead origination, we are seeing lead nurturing beginning to get the attention it deserves and a larger share of the demand management spend."

—Forrester Research, Inc., 2011 Demand Management Budget Trends, February 1, 2011

Dun & Bradstreet Achieved Big Strides & Quick Wins with Lead Nurturing
Within Dun & Bradstreet, teams that adopted the lead-nurture program experienced a 3 - 11% lift in new business pipeline. In fact, check out the year-over-year opportunity change after 6 months when comparing the company's nurtured customers to a control group:

Baseline Measurement	Difference vs. Control
Pipeline Value	+19%
Number of Opportunities	+14%
Average Opportunity Size	+3%
Opportunities Won	+25%

What's Next in Lead Nurturing?

> The concepts, best practices and tools covered in this guide will help you immediately improve lead nurturing. But even if you excel today, you will also want to be prepared for what's to come tomorrow. Here's what we see on the horizon for lead nurturing.

▶ **Delivering customized experience via the website or social media.** Marketers need to nurture people in the channels they prefer, delivering the same types of content and information they'd typically deliver via automated emails. Those channels will increasingly include social media and the company's website.

▶ **Catering to how people buy.** Using known information about buyer behavior, marketers will start to predict whether different combinations or types of communications will influence response.

▶ **Impacting the conversation by including more data sources.** The more we know, the more relevant the conversation, the better the conversion to the next stage. Going forward, marketers will start aggregating insights from various sources – including CRM, LinkedIn, and **marketing automation** systems – to elevate the level of conversation.

▶ **Automating the relationship throughout the buying cycle.** As more marketers adopt marketing automation, CRM and granular measurements – and as they get more sophisticated in tracking stages of the buying cycle through a Revenue Performance Management strategy – they'll be able to better target the right message to the right person at all stages of the buying cycle.

▶ **Better integrating social media and demand generation.** To tap into the ever-growing adoption of social media, marketers can reward people for engagement in such channels. For example, B2B marketers could add prospects to a VIP program once they've reached a certain threshold of engagement.

Lead Nurturing Resources

> Want to learn more about lead nurturing? Dive into these free resources!

> **The B2B Lead Blog** – Delivers real-world, practical B2B sales and marketing tips to help you capture more qualified buyers and convert them into profitable customer relationships. **http://blog.reachforce.com/**

> **Bulldog Blog** – Perspective and insights on all things related to B2B demand generation. **http://www. bulldogsolutions.com/marketing-resources/blog**

> **Marketing Interactions** – B2B marketing strategist and author of the book *eMarketing Strategies for the Complex Sale* Ardath Albee takes a no-holds-barred approach to sharing her ideas and opinions on what it takes to make every online interaction count. **http:// marketinginteractions.typepad.com/marketing_ interactions/**

> **Savvy B2B Marketing** – Founded by six independent marketing consultants – including Stephanie Tilton, who wrote this Grande Guide based on extensive interviews with Eloqua subject matter experts – this blog offers inspirational ideas and practical strategies on all things B2B marketing related. **http://www.savvyb2bmarketing. com/blog**

> **SiriusDecisions** – Leading source for business-to-business sales and marketing best-practice research and data. **http://www.siriusdecisions.com/**

> **Lead Nurturing Best Practice Toolkit** by Eloqua - **http:// www.eloqua.com/topics/lead-nurturing.html**

> **TopLiners** – Eloqua's online community connects 60,000 global users with other marketing and sales professionals looking to better understand marketing automation and topics including Revenue Performance Management, lead nurturing, campaign analytics, sales enablement, and everything in between. **http://www.topliners.com/**

Notes