

KnowledgeNote: What Research Tells Us About Lead Management and Follow-Up

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Executive Summary

Companies are singing the praises of Internet marketing. It's cost effective, targeted, rapid to implement, and offers boundless opportunities for creativity and experimentation. But for IT products and services that don't lend themselves to online ordering, fast-track Internet technology can slow down when high volumes of leads are generated. The problem is that lead qualification—that little-understood but vital middle step between marketing and sales—often gets short shrift. At the end of the day, what really matters is what you do with the leads that you generate.

Experts believe that the percentage of leads “falling through the cracks” ranges from 40% to 80%. A key culprit behind this waste of corporate assets is poor processes for handling leads and assessing their value.

What can you do about the problem? How can your company gain visibility and control over the lead management function?

Over the last three years, KnowledgeStorm and The Artemis Group have conducted multiple studies into the purchasing behavior of enterprise technology buyers and the sales and marketing practices of major enterprise technology vendors. The most recent research was an extensive study of more than 15,000 leads and 49,000 lead follow-up calls conducted in 2005.

→ 1

Based on our research, our key findings are that personal contact and timeliness are the most important elements of an effective lead follow-up strategy. In short, the best practitioners of online marketing are those who meld Internet marketing and technology tools with timely follow-up and tried-and-true, old fashioned human contact.

Best Practices For Lead Assessment

New revenue is embedded in every batch of leads. The key is to never underestimate their quality. The bulk of your Internet respondents took the time to supply valid contact information. They are interested—and they really do want to hear from you.

Several of the research findings point to “best practices” worthy of being implemented by every IT marketer interested in converting more leads into revenue. These practices can be summarized as:

BEST PRACTICE → Give prospects what they value most – a phone call.

Research finding: 88% of leads were happy to be personally contacted when called the same day.

In our research about 80% of leads expressed positive attitudes when contacted by the vendor. About 20% were neutral. Almost none were unhappy to be contacted. Receptiveness to a call was greatest for leads called promptly: 88% of leads were happy to be contacted when called the same day.

Furthermore:

- Over 46% of leads are eventually reached by the phone
- Almost 28% result in reaching a voicemail

BEST PRACTICE → Call every real lead within four days.

Research finding: You are more likely to reach someone by phone if you follow-up promptly.

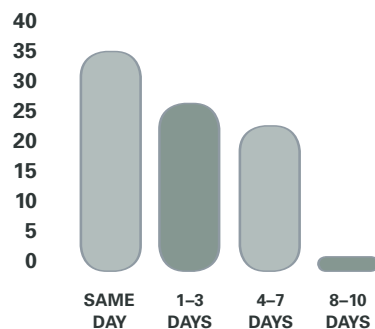
Buyers are delighted to hear from you, but our research shows that their receptiveness declines over time. The best time to contact a lead is the same day you receive it. A good marketing goal: Call every lead within four days.

→ 2

The studies found that you should connect with most reachable leads on the first or second attempt.

Reaching a lead within four business days significantly increases the likelihood that this lead will become a sales prospect. After seven business days, lead responsiveness dropped 20%. The ability to reach a lead depends on two issues; effort by the caller and the availability of the lead.

LEAD REACHABILITY
Reaching a lead within four business days significantly increases the probability of that lead becoming a sales prospect



Percent* of first calls that get answered: 0 to 10 days after lead arrives

**Daily average*

BEST PRACTICE → Avoid pre-judging leads.

Research finding: 4 out of 10 buyers start their research without knowing budget, time, or authority to purchase, or knowing only one of these.

When buyers begin researching a potential IT purchase, 20% don't know the budget available, the timeframe for a decision, or their decision-making role. Another 20% say they know only one of these when they start researching IT solutions. Call them anyway. Assess the quality of leads through actual phone calls, not with arbitrary advance determinants of what constitutes a "good" lead. These respondents often gain a much clearer picture of these indicators as the buy cycle matures.

Be extremely leery of programmed lead assessment tools; by their assumptions, they will filter out good leads with the bad leads. When a real person engages the buyer in a real dialogue, the resulting qualified leads are dramatically more reliable than leads scored without personal contact.

The old saying "don't judge a book by its cover" applies here. Don't judge a lead by its title. Many companies think they should sell only to CEOs or very high-level executives and won't contact anyone they don't feel has an impressive enough title. This is a mistake. In many cases, while the executive is the final decision-maker, he or she is not doing the research.

→ 3

Our research has found that recommenders—people involved in the purchase process but not the final decision makers—produce the highest percentage of Web leads that are furthest along in the buying cycle. We also found that professional titles (mid level, line of business managers) on average become better prospects than C-level or executive titles.

BEST PRACTICE → Invest in content.

Research finding: Quality of content can double or triple your reach rate.

Here are three words you can take to the bank: Content is king.

The quickest way to kill a buyer's potential interest is irrelevant, uninspired content.

Quality of content has a multiplier effect: First, compelling content and well-written copy generates higher quality leads than mediocre content. Second, the responses tend to be two to three times more reachable and qualified.

The best mix of content includes product specific information coupled with educational white papers.

Lead the Way

By following these practices, your company can sharpen its efficiency at one of the most daunting marketing tasks: nurturing leads into sales.

One final recommendation: To avoid inundating sales reps with lead qualification duties—and to get better results—invest in staff dedicated to lead follow-up or outsource this function. Lead follow-up should not be a collateral duty; it is a dedicated, full-time job requiring people with specialized skills. By following a good lead management process, your sales people are focused on the right leads; the ones that have a higher probability of closing.

The more your lead assessment team learns before turning qualified prospects over to the sales force, the higher your payoff will be, for four reasons:

- In all likelihood, your phone qualifiers will respond sooner to leads.
- They will respond to more leads.
- They will gather better information from leads.
- They will do all of this at a lower per-lead cost than your sales reps.

About KnowledgeStorm

KnowledgeStorm is the Internet's top-ranked search resource for technology solutions and information. Leveraging the KnowledgeStorm Network of premier partners and its extensive search expertise, KnowledgeStorm is able to reach business and technology buyers and deliver the information they need no matter where their search begins. KnowledgeStorm, with its premier network, search expertise and performance tools and services, is a powerful resource for technology vendors providing them with the most opportunities to reach buyers on the Internet and convert them into Web leads. For more information, call (877) 340-9274 or visit www.knowledgestorm.com.

→ 4

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