

Forrester Consulting

MAKING LEADERS SUCCESSFUL EVERY DAY

November 2009

How Managing Leads Pays Off In A Stronger, More Qualified Pipeline

A commissioned study conducted by Forrester Consulting on behalf of Silverpop

FORRESTER®



Headquarters

Forrester Research, Inc., 400 Technology Square, Cambridge, MA 02139 USA
Tel: +1 617.613.6000 • Fax: +1 617.613.5000 • www.forrester.com

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Executive Summary

In August 2009, Silverpop commissioned Forrester Consulting to identify the challenges that business-to-business (B2B) marketers face when adopting lead management processes, the benefits that come from investing in this discipline, and the factors that lead to success among marketing and sales teams studied.

In support of this effort, Forrester conducted in-depth interviews, lasting from 30 to 90 minutes, with 15 B2B marketing professionals working at small to midmarket US firms employing between 100 and 5,000 people. All interview subjects have primary responsibility for lead management decisions and have used their current lead management solution for an average of 24 months or longer. In further support of this effort, Forrester drew upon its extensive research on marketing-mix trends and lead management best practices to supplement the findings.

By developing consistent repeatable processes and investing carefully in automation, Forrester found that these companies achieved stronger, more qualified sales pipelines, greater visibility into the impact of marketing on sales, more control over marketing program execution, and better accountability for marketing spend against business results.

Key Findings

Forrester's study yielded six key findings:

- **Lead management is a marketing discipline moving from early stage to essential.** Changing market conditions and emerging social business behavior require marketers to engage early-stage inquiries, develop buyers' understanding and preferences, and turn more marketing qualified leads over to sales.
- **Mature lead management pays off in measurable impact on pipelines, marketing efficiency, and accountability.** On average, one-half or more of the marketers we spoke with cite healthier pipelines, increased marketing proficiency, and more efficient resource/budget use as key outcomes when investing in lead management process and technology change.
- **Process development and sales collaboration are essential first steps.** More than selecting the most innovative or feature-rich technology, top firms succeed when they approach lead management as a process change that requires close and continuous interaction with sales.
- **Four practices shorten the time from implementation to value.** Lead management experts focus on customer profiling, lead scoring, content design, and nurturing to accelerate investment returns.
- **Successful lead management improves marketing's standing and stature.** Marketers that follow lead management best practices increase marketing execution efficiency, help sales optimize deal-closing activity, and turn customer relationships into valuable corporate assets.
- **Ability to share and instill best practices is key to selecting the right technology partner.** Long-term success depends on trading off flashy features, promised ease of use,

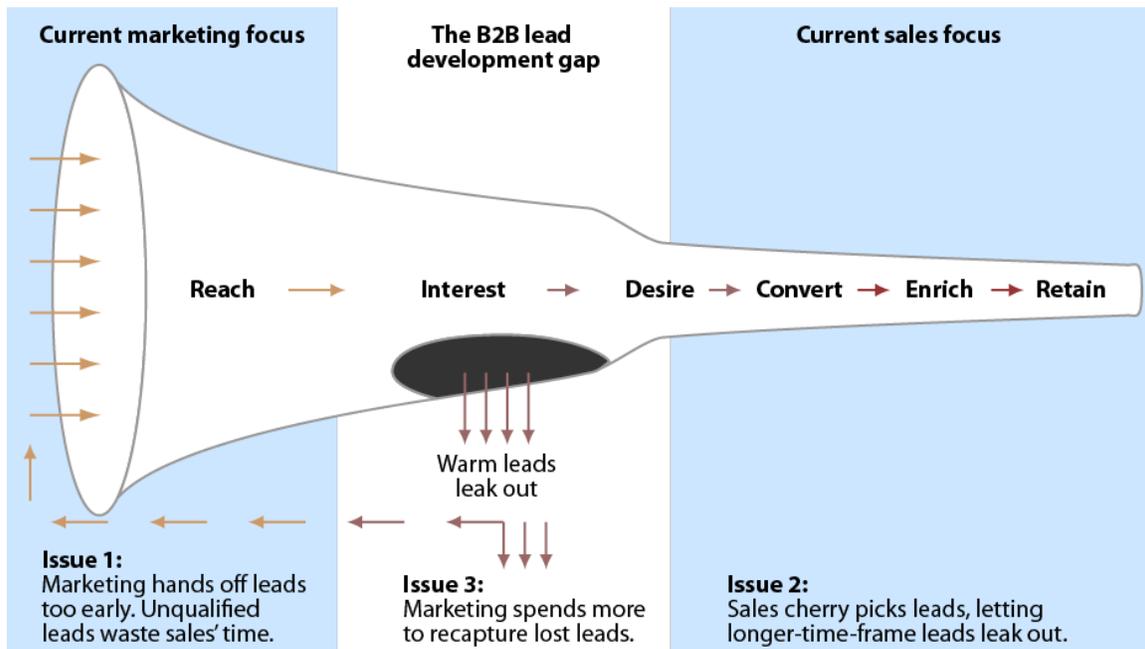
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and low price tags for proven expertise, a track record of successful implementations, and a growing vibrant community of like-minded users.

Managing Demand Is An Essential Discipline

Whether the economy is strong or weak, business marketers struggle to keep pipelines filled with sales-ready demand. In Forrester's benchmark study of B2B marketing effectiveness and best practices, more than 560 respondents ranked generating qualified leads among the top three challenges they face.¹ Marketers work hard to execute campaigns and channel the resulting responses into sales pipelines, only to see account reps cherry pick opportunities and disregard the rest (see Figure 1). Without consistent lead scoring, sales routing rules, and programs to nurture prospects not yet ready to buy, marketers find prospective customers leak out of the sales funnel.

Figure 1: Leaky Sales Funnels Increase Marketing Inefficiency



Source: "Improving B2B Lead Management," Forrester Research, Inc., October 4, 2006

With new advances in marketing automation, does this cycle still hold true? Forrester sees demand development growing more challenging as business prospects flock online to investigate products and services and respond less to marketing offers.² Buyer behavior becomes more unpredictable as customers trust advice from online sites, user-generated commentary, and expert strangers more than traditional media outlets and supplier communication. Buyers find richer, more complete information online — coming increasingly from peers and influencers — that lets them evaluate alternatives, select a short list, and validate choices long before the first sales call. Because they talk to buyers later in the purchase process, salespeople try to counter this trend by turning to emerging sales 2.0 tools that let them track prospect online activity and mine social networks for connections and introduction, sometimes successfully and sometimes not.

These shifts force B2B marketers to engage buyers in digital dialog earlier in the selling process, develop demand, and close the gap between early information gathering and selection.³ The result: Marketing programs become more complex as the number of interactions required to attract, educate, and qualify a sale increases. Simply put, there's no way out of the demand management dilemma without new practices.

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Top marketers, like the 15 people we spoke with about lead management best practices, recognize that repeatable process, backed by the appropriate technology, can turn this unprecedented change in buyer and sales behavior to their advantage. In our interviews, we found that marketers who develop lead management discipline start by focusing strategy and resources on practices that:

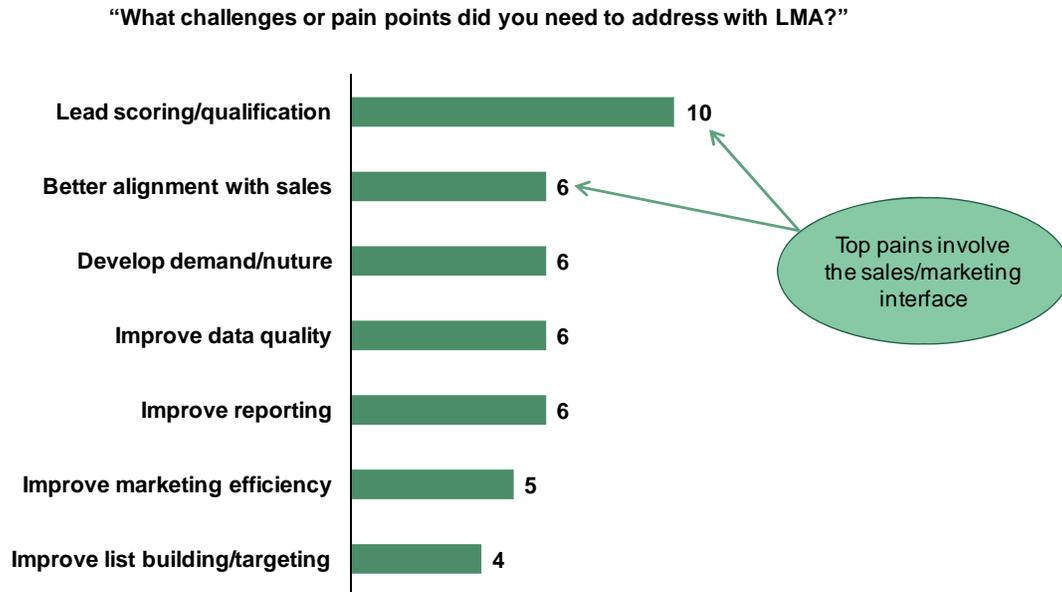
- **Prioritize the best opportunities to pursue.** Marketing programs like advertising, direct marketing, promotions, or events — whether conducted online or offline — create responses that marketers must sort through quickly. Without an orderly approach, lead qualification becomes subjective, and the results are suspicious to sales. When asked to describe the challenges lead management automation (LMA) helped resolve, two-thirds of the marketers interviewed said that they invested in this technology because they needed more consistent ways to qualify the leads they generated (see Figure 2). Tired of arguing with sales over lead quality — or lack thereof — marketers want more systematic measurable approaches to scoring the leads that marketing activities create.
- **Make marketing more proficient.** Most respondents said that lead management helps them accomplish two main goals: 1) create a consistent flow of leads pumping through the pipeline, and 2) make marketing programs more repeatable and automatic. As one respondent explains:

“We needed to grow the business. The only way to do that was to get a constant flow of leads that did not depend on manual steps, spreadsheets, and human intervention.”
(Marketing director, small software technology provider)

- **Keep potential buyers from falling through the cracks.** Most business purchases are highly considered, take a long time to progress, and involve many influencers and decision-makers. Marketers who manage leads well develop relationships with buyers using multiple interactions that educate buyers and build trust through dialog.

“Typically we touch prospects seven or eight times before they become qualified leads. The key is to not overload prospects, but to deliver value in the communication regardless of whether they choose to buy from you or not.” (Head of product marketing, provider of software for legal discovery)

Figure 2: Lead Management Improves The Marketing/Sales Relationship



Base: 15 senior-level marketers using lead management automation
(multiple responses accepted)

Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

Lead Management Investment Pays Dividends

Lead management and the technology to support it are relatively new to the marketing discipline. As little as eight years ago, few marketing organizations considered marketing operations or lead management as a separate function. In a recent review of the market, Forrester found lead management requires a degree of process maturity many firms still don't possess, resulting in underachievement by vendors and users alike.⁴ Despite its early stage and limited experience as a practice, marketers agree that lead management delivers real business value. Consistently, the marketers we interviewed said that lead management helped them achieve:

- **Healthier pipelines.** When the economy weakens, buyers become more selective and deals take longer to close. It's not surprising, then, to hear marketers say that improving demand management helped increase lead quality, opportunity-to-pipeline conversion, and deal velocity — factors that relate directly to sales pipeline health and revenues (see Figure 3). Yet most of the marketers we interviewed started their lead management renovations long before the economy took a U-turn. It is more likely that demand management best practices helped marketers weather the rough economy better than counterparts who kept a focus on lead generation.

“Since we invested in lead management, we’ve seen a 4X increase in inbound demo requests, 3X increase in pipeline dollars, and a 2X increase in appointment-to-opportunity conversion.” (President/VP of marketing, small consulting and software technology provider)

- **Greater accountability for marketing impact on the business.** Prior to automating lead management, most marketers admit their campaign design, execution, and tracking processes were cumbersome, ad hoc, and fraught with manual steps. Putting new disciplines in place, backed by technology that helps take the guesswork out of process design, let most marketers gain control over marketing programs, become much more agile, and respond more quickly to sales and management demand. Marketers credit automating reporting and the ability to measure marketing contributions more precisely as key to achieving these gains.

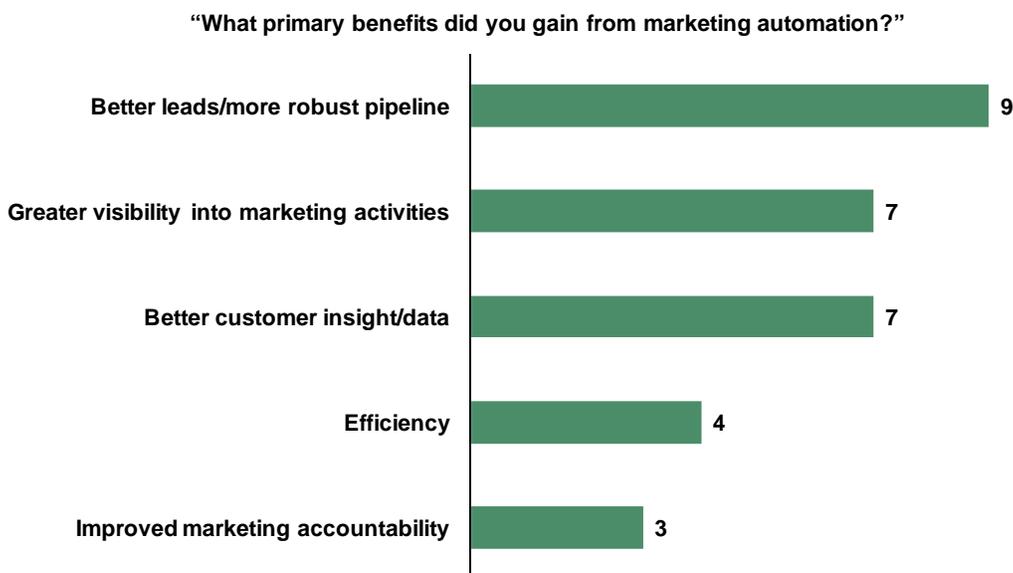
“Eighty-seven percent of the deals that we close have been nurtured extensively. The lead management system lets marketing review all of our stats with sales and show how marketing impacts deal flow. Now, sales doesn’t question market programs and simply says, ‘Keep it up.’”(Senior VP, strategy and marketing, software integration firm)

“Measurement is at the top of my list of benefits. Measuring how my campaigns are doing and explaining the results precisely to sales and management is huge.” (VP, marketing, financial services provider)

- **Efficiency in spending and resource use.** Everyone we spoke with suffered budget cutbacks or business slowdowns due to the recession.⁵ Most weathered reductions in staff and resources by cleaning up customer data records, automating communications, and nurturing prospects with more personal content. Marketers replace spray-and-pray approaches like buying lists and blanket emailing with campaigns aimed at invigorating stale contacts, reducing churn, or winning back defectors — programs they couldn’t run efficiently without automating customer profiling and outreach.

“We spend much less on useless lists and more on buying the right leads. Bad data used to cost us a lot. The lead management system has really helped clean that up.” (Senior director, marketing, enterprise management software provider)

Figure 3: Lead Quality And Increased Visibility Are Top Benefits Cited



Base: 15 senior-level marketers using lead management automation
(multiple responses accepted)

Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

Process And Collaboration Make Lead Management Pay Off

Managing interactions with prospects in a purposeful, routine manner increases marketing efficiency by automating campaign execution, streamlining prospect interactions, and transferring qualified leads to sales. But this progress requires diligent, hard work to get right. Many pitfalls lie along the way to lead automation success (see Figure 4). When sharing valuable lessons that helped avoid stumbles, top marketers say that those embarking down the lead management path should:

- **Focus on process change, not simply rollout technology.** Looking for a quick fix for anemic sales pipelines, too many marketers jump into the technology without looking closely at the changes successful automation requires. It is not surprising then that change management fundamentals rank high on the list of lessons veteran marketers said that they would pass on to others. Six out of 15 say that focusing on process and not technology leads to their success with lead management. The basics they stress include: Define your process first, put milestones in place, make someone’s job dependent on achieving the plan, and (finally) select your technology partner.

“Don’t assume because you’ve bought automation technology that you fixed your process.” (Marketing director, small software technology provider [also reiterated by several others])

“Automation breeds complexity, and it can’t replace good marketing strategy.” (VP, marketing and strategy, business services provider)

- **Collaborate early with sales and get the team involved in the process.** While marketers sponsor lead management projects, sales benefit most from the stronger, more

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predictable pipelines that result. But the road to success can become rocky when demand management process redesign uncovers issues in the sales process, especially around lead handoff between marketing and sales. Top marketers said consistently that teamwork and open communication lines with sales were essential to lead management success.

“Marketing and sales must work from the same playbook. If sales doesn’t buy in, lead management automation will never succeed.” (Director of marketing, application developer)

“With lead management, there is no more finger-pointing over leads because I can show what marketing is doing higher up in the funnel. This fundamentally changes the conversation with sales.” (Head of product marketing, provider of software for legal discovery)

- **Keep management expectations from escalating.** Sales and executives can fall into the trap of thinking lead management tools automatically boost the flow of leads in the pipeline. It is also tempting to put new technology investments through their paces early. Successful marketers avoid these challenges by setting — and defending — project timelines that start with simple contact activation campaigns and demographic lead scoring and progress to more complex nurturing campaigns that trigger off of changes in behavior and interest.

“Don’t try to do too much at first. Don’t try to do everything that the tool can possibly do in your first campaign with it.” (Senior director, marketing and client operations, healthcare provider)

Figure 4: Key Lessons Learned — Start With Process And Planning



Base: 15 senior-level marketers using lead management automation
(multiple responses accepted)

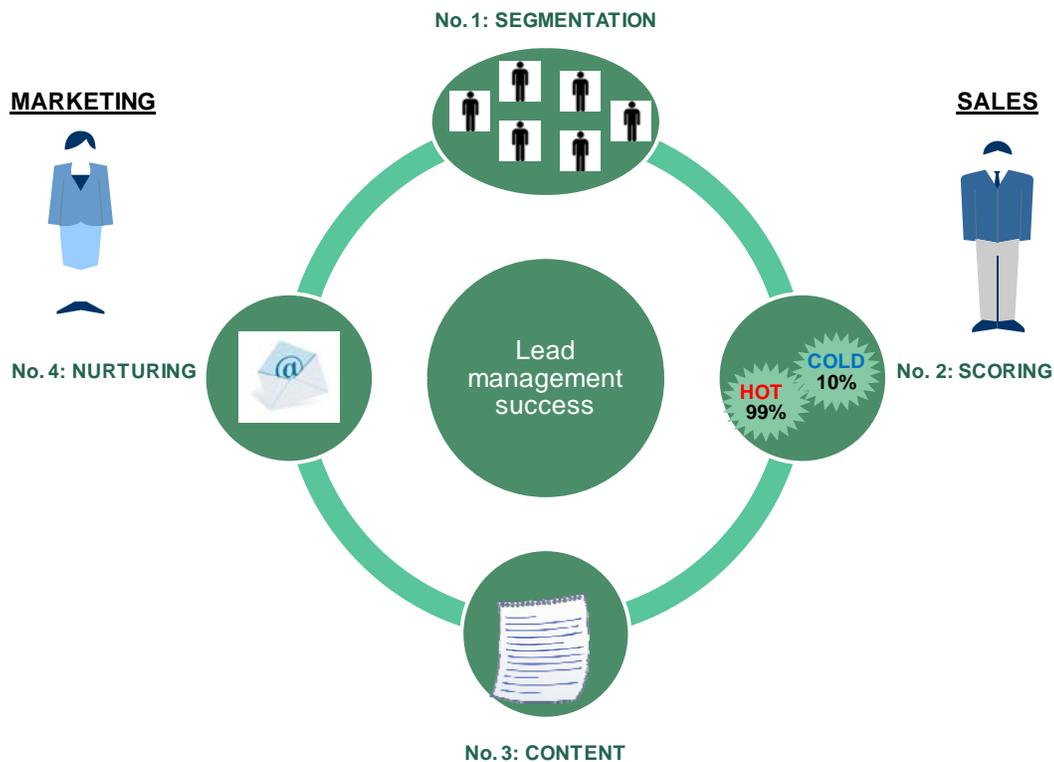
Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

Four Key Practices Advance Lead Management Time-To-Value

Aware of the risks and issues surrounding change management, sales collaboration, and managing expectations, marketers planning to invest time and technology in maturing their lead management want to know which steps to take and how to tackle the process. Analyzing the experiences of our early adopters, Forrester believes marketers must focus on four main areas to minimize the time spent between initiating lead management improvements and gaining positive, measurable returns (see Figure 5). To make lead management efforts pay off, marketers should take on the following in order:

1. **Profiling and targeting.** Learn who your best customers are, how they buy from you, and which activities or behaviors increase their propensity to buy. Prioritize what you learn against the new opportunities and audiences you want to pursue.
2. **Lead scoring.** Use what you learn from customer profiling to create lead definitions. Sit down with sales to discuss lead quality, select scoring criteria, assign values to each, and model how scores change in response to specific events or triggers.
3. **Content.** Map buyers' information needs against the purchase process uncovered in profiling to determine what type of content different audiences need at different stages of decision-making. Match current content assets against this map, and look for gaps to fill.
4. **Nurture early-stage buyers.** Answer the questions: "What happens when leads fail to qualify, and how do we get them moving down the path to purchase again?" Use discussions with sales to plan your first simple nurturing campaign based on the activities that engage potential buyers successfully.

Figure 5: Boost Lead Management Success By Effectively Deploying Four Factors



Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

Profiling Improves Scoring And Targeting

Knowing your customer provides the foundation for successful lead management practices. Unfortunately, B2B marketers have yet to raise segmentation and targeting to the art form applied in many business-to-consumer (B2C) industries. Particularly among technology providers, where they may start out on the product design or development side of the house, marketers fall back on generalizations that lump buyers into technologists or business managers. To start customer profiling on the right track, top marketers:

- **Research customer issues, not product features.** Whichever approach you decide to take — interviews, surveys, focus groups, or brand monitoring —, focus on learning three key things about your current customers and prospects: 1) what keeps them awake at night; 2) how they are measured and rewarded; and 3) where they aspire to go next in their career. Discussing motivations, desires, and needs may seem out of place in business buying, but these factors help create more meaningful distinctions among buyers that go beyond whether they work in IT, in customer support, or for a business line.
- **Focus on what customers do, not what they say.** Most B2B firms take a more rudimentary approach to segmentation. They group prospects and customers by size, industry, and geography — categories that closely match their sales organizations' structure but stand apart from real market dynamics.⁶ Top marketers go further and extend buyer profiles to include role, needs, behavior, or preferences. They get into the field, attend user conferences, and talk with key clients to understand not only how they use

products and services but also what issues, roadblocks, and political maneuvering keep buyers from achieving their goals. The bottom line: There is no substitute for studying buyer behavior in good B2B marketing.⁷

- **Work with sales and support to refine buyer personas.** In most business purchase cycles, a single persona may fit different buyer segments, and a single buyer may change behavior — and switch personas — at various times. The people who experience these transitions firsthand work in sales and support. The best marketers start by examining wins and losses with sales in each current customer segment. For example, by identifying the roles that participate in the buying cycle and understanding what each wants to accomplish, one high-tech software firm streamlined its prospect scoring methodology, aligned its marketing communications around roles, and developed collateral that addressed specific buyer needs. The result was a measurably shortened sales cycle.

Numeric Scores Qualify Respondents Precisely

Lead scoring automatically bubbles to the surface the leads you want to act on. After profiling audience targets and mapping out buyer behavior, top marketers shift gears and tackle qualification. Top marketers get lead scoring off to a solid start by answering the question: “What defines a great lead?” Work on lead scoring opens the lines of communication between sales and marketing and spurs collaboration since:

- **Numeric scoring is less subjective and more actionable.** Most marketers use a simple rubric of hot, warm, and cold to categorize leads. But getting sales to agree on what qualifies a lead requires more precision. Eight out of the 15 marketers we talked with said that numeric scoring gave them the best results. Creating an algorithm to assign numeric values makes the lead scoring process more productive since numeric values make lead qualification precise yet flexible enough to accommodate changing market conditions. Numeric scores also let B2B marketers weigh the value of different demand generation activities across the various product lines or regions they may serve (see Figure 6).
- **Inside sales helps marketing tune scoring practices quickly.** Inside sales or telesales is typically the first to benefit from lead scoring and more in-depth customer profiling. Eight out of the 15 marketers use lead scores to balance the workload across inside sales team members and prioritize how they contact respondents.

“We found the best way to fix lead scoring quickly was to use our inside sales team members — since they are the ones drinking from the lead fountain, they can tell us what works and what doesn’t.” (Senior VP, strategy and marketing, software integration firm)

- **It takes time and cooperation to perfect lead scoring.** Most marketers admit that they did not get lead scoring right the first time. Some got too complex or tried to do too much at the beginning. As a group, these marketers agreed that it could take up to a year to perfect a model that captures customer particulars and market nuances correctly.

“We found we needed to run the system for six months to determine if scores were reflecting lead quality and relevance we expected when we first rolled the system out.” (Senior director, marketing, enterprise management software provider)

Figure 6: Key Questions About Lead Management To Discuss With Sales

Topic	Questions
Characteristics of “best” customers	<ul style="list-style-type: none"> • Which deals closed easily for you last quarter? What characteristics set those deals apart from others you have worked? • Which deals were the most valuable/rewarding to you? What characteristics distinguished those deals? • Who buys from you reliably? Who is easy to upsell? What sets these customers apart? • Who are your least demanding customers? Why do you feel they are this way? • Which communications do your prospects/customers respond to the best when you send them?
Buyer’s journey	<ul style="list-style-type: none"> • Where did your best leads come from last quarter? How did you determine this? • How do you see your best opportunities behave online? Offline? • How can you tell if an opportunity is progressing or stalled? • How do your leads advance from stage x to closure? • Which activities do your deals participate in — what things do they do — that almost guarantee they will close?
Lead qualification	<ul style="list-style-type: none"> • Which characteristics do you want to see in a marketing qualified lead? • What information do you need to help you determine if a lead is qualified or not? • On average, how long do you say your deals take to close? • What two to three factors would speed up this process for you? • What do you need to know to be able to assess these factors better?

Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

Relevant Content Accelerates Customer Engagement

Of course, it is impossible to perfect lead scoring models without responses to test against them. Marketers agree that “content is paramount” to feeding the demand management process, for initial prospect acquisition and for nurturing buyers through the purchase process. Which channels do marketers consider crucial for their demand generation? The majority (13 of 15) said that they rely on white papers — and subject-matter experts who work with customers daily author the best ones (see Figure 7). Underlining how good content fosters dialog, marketers list social media — like blogs, podcasts, and microposts on Twitter — and email among the channels they turn to for fueling the demand management engine.

Yet as one respondent summarized, “Content is a treadmill you never get off.” To keep good content flowing to prospects and customers, top marketers must:

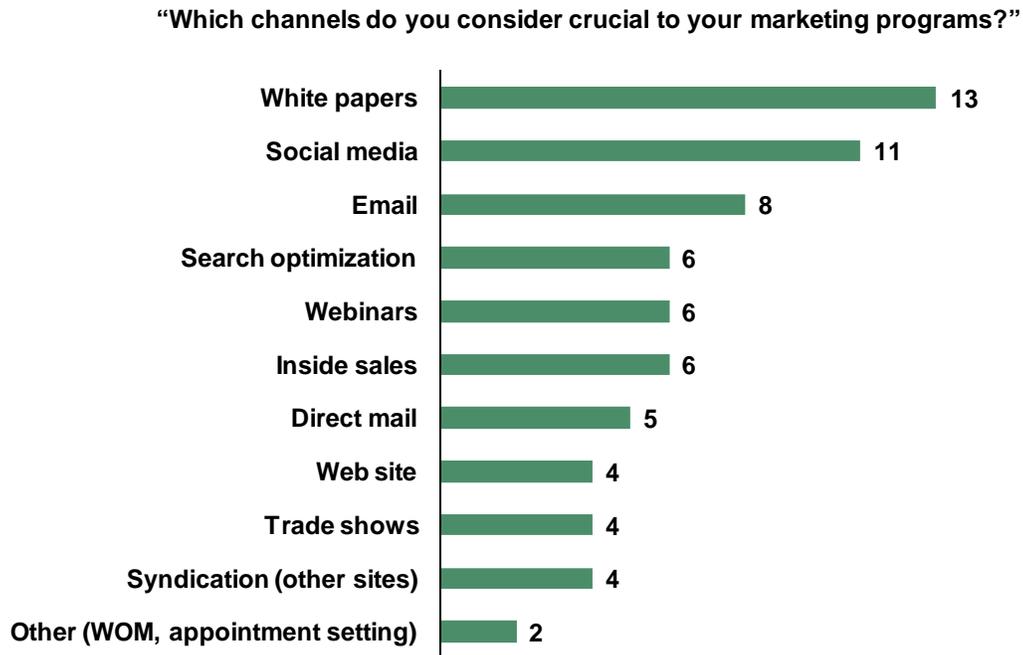
- **Provide relevant information, not huge volumes of it.** Put succinctly, content has to be relevant, or you are wasting buyer’s time. By working through segmentation and scoring issues first, most marketers have a solid understanding of what information buyers want. To refine content, use split testing that puts slightly different calls to action and copy in front of similar audiences to see what resonates. Think of ways to repurpose content — like changing the case study or sample data to match a particular industry target — to make it appear fresh or extend its reach.

- **Cultivate a conversational style.** When we asked marketers how they decide what voice to use in their content creation, they said a personal direct tone works best to capture buyer attention. Making documents lively, provocative, and interesting requires a customer-centric approach that personals and customer profiles help marketers create more effectively.

“We make our content get to the bottom line. We keep it simple, frank, and easy to read. We put the answer that we think the customer wants to see upfront and then substantiate our claims with facts and proof. We give the reader a reason to read further.” (Senior VP, strategy and marketing, software integration firm)

- **Converse with, but don’t intrude upon, prospective buyers.** Email changes from spam to valuable information when prospects opt in to the conversation. Buyers don’t mind hearing from vendors, but they hate to be interrupted with a thinly veiled sales pitch. Instead, give them a reason to anticipate your communication by delivering value with each exchange. Top marketers strike a balance, however, between giving everything away and getting something back in return. Participating in a poll, offering to make an introduction, and disclosing budget considerations are all small prices buyers should willingly pay to get the next installment of your valuable content.

Figure 7: B2B Marketers Rely On Channels That Make Content More Engaging



Base: 15 senior-level marketers using lead management automation
(multiple responses accepted)

Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

Nurturing Programs Develop Demand

For more than 50 years, marketing’s primary demand generation technique has been the campaign. Campaigns take many different forms, but the pattern — make an offer, see who responds, and fulfill the request — is classically outbound. Lead nurturing — the process of engaging with qualified buyers, regardless of their purchase timing, with the goal of earning their business when they are ready to buy — turns this model on its head. With B2B buyers actively investigating products and services online, marketers must alter their go-to-market motion to have an inbound component or risk overlooking buyers searching solutions outside of the reach of formal campaigns. Nurturing resurrects the fine art of market development that many marketers abandoned when they built Web sites and expected the world to beat a path to their door.

Unfortunately, lead nurturing is also the most immature part of demand management today.⁸ Most of those we spoke with use some form of lead nurturing but admit that the results are spotty (see Figure 8). Common challenges split along two dimensions: 1) falling in love with the technology and getting too complicated too quickly, and 2) dabbling or not being sure about how to get started. Those satisfied with their current lead nurturing approach seem to progress through stages that develop nurturing skills and expertise. The best-practice patterns we see include:

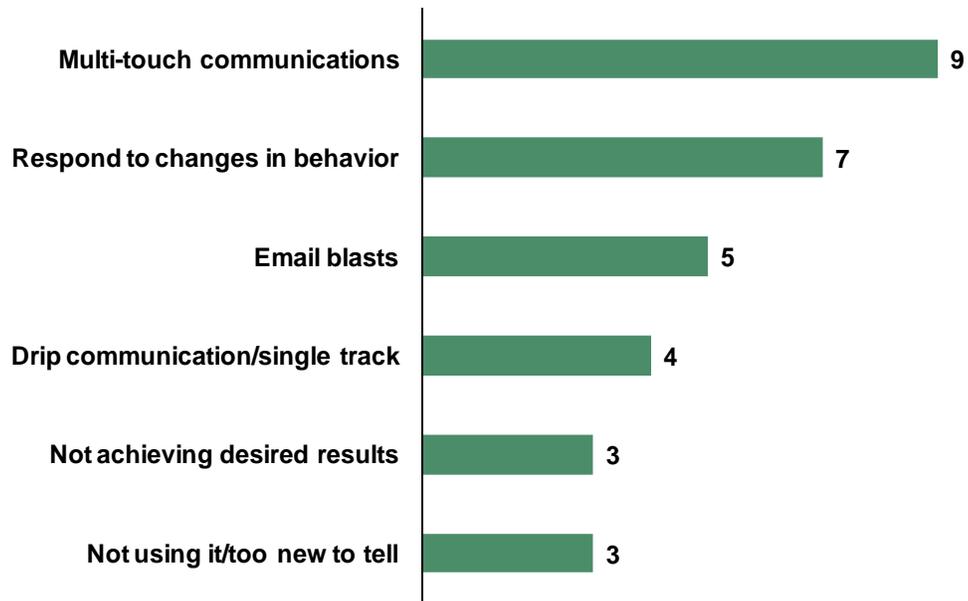
- **Start with a contact data-clean-up campaign.** Marketers buy lists like candy and end up with a database clogged with contacts where half of the data is bad or missing. To straighten up this mess — and gain more insight into your target audiences, the topics that interest prospects, and the value of your list suppliers — launch a simple opt-in campaign. Ask for permission to keep contacts in your database, point to a few items on your Web site that are new or interesting (to them and not you!), and give them the opportunity to fill in a

few blanks. This isn't a sales pitch. It's just checking in. Use a combination of email, direct post cards, and telesales to the entire database. Kick off your lead scoring process by assigning scores to as many contacts as possible in this campaign.

- **Initiate a stay-in-touch program.** An e-newsletter is a classic example of a stay-in-touch campaign. More than half of the contacts in your cleaned-up database will not earn a score that warrants putting them in front of sales or inviting them to a Webinar. Initiating a stay-in-touch campaign — which can take different forms, including blogs, podcasts, or links to video on YouTube, among more conventional approaches — helps achieve two goals: 1) staying in touch with contacts you have, and 2) providing an ongoing stream of content to help acquire new leads. Staying in touch is a great way to learn to use nurturing because publishing short, topically focused information on a regular schedule makes marketers think more about creating a conversation than just broadcasting information.
- **Invite prospects to register for an event or to receive an item.** Events, white papers, and comparison tools, among others, each provide new opportunity to engage prospects before, during, and after the promotion. Nurturing communications beforehand helps promote the offer, increase interest, and spread the word. Afterward, it makes follow-up more consistent and goal-oriented. This stage of nurturing naturally appeals to marketers because it fits within the boundaries of an outbound campaign. If prospects don't respond, they go back in the database to wait for the next round.
- **Create opportunities to engage live with a person.** At the pinnacle of the lead nurturing campaign is creating the dialog that leads to an interaction. Demos, phone calls, or in-person meetings create the one-to-one contact vital for closing B2B deals. Top marketers use nurturing to determine much more effectively where to invest in personal contacts and when to keep the dialog going in less expensive channels because the buyer is not at the right stage yet. Use nurturing here to move from “would you like to see a demo?” to “what do you hope to gain from this demo?” and “how can I use this to show you what we can do for you?”

Figure 8: Lead Nurturing Experience Runs The Gamut From Simple To Complex

“How would you characterize your lead nurturing approach/capability?”



Base: 15 senior-level marketers using lead management automation
(multiple responses accepted)

Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

Lead Management Upgrades Marketing's Charter

As expertise in customer profiling, lead scoring, dialog-centric content creation, and nurturing need continues to develop, conversations with marketers about the benefits of lead management still center on tactical issues. Improving the quarterly flow of leads and lead quality, conducting more effective campaigns for less money and with less waste, and showing how marketing activity accelerates the buyer's journey are top-of-mind issues among those we interviewed.

For the lead management discipline to extend beyond an early operational focus, successful marketers need to move the conversation higher up the executive food chain — from marketing efficiency and sales support to how strong marketing process and leadership sustain competitive growth. Marketers who focus on the lead management discipline alter the corporate mindset, from one that views marketing simply as an advertising and lead generation tool to a new appreciation of marketing as the corporate denizen of customer insight, engagement, and community. Disciplined lead management fosters this transformation by creating repeatable, consistent approaches to prospect data collection, segmentation, nurturing, and development that build more stable, loyal customer relationships. Lead management lets you know more about your customers and treat them better as a result.

Forrester's in-depth interviews with B2B marketing professionals yielded three important observations about how lead management improves marketing's standing and stature within the firm:

- **Optimizes marketing's impact on sales.** Lead management gives marketing greater visibility into the sales pipeline. But it also moves early-stage pipeline development squarely into marketing's (and inside sales') court. When marketing delivers better qualified ready-to-buy leads to sales, the cost of acquiring new customers decreases. Sales spends less time cold calling and rooting through undifferentiated leads and more time developing current customer relationships. With stronger pipelines, sales can devote more time to account management and require fewer resources to do so.
- **Provides visibility into the way marketing collaborates with sales.** Frustration increases when marketing leadership does not know how, exactly, marketing activity impacts the bottom line. Executives see marketing as inexact and therefore wasteful. Lead management does not cure these problems, but it shines a stronger light on dimly lit activities like sales' response rate to marketing's qualified leads, online customer behavior as an indicator of buyer readiness, and marketing's contribution to pipeline dollars. Working from a single view of the pipeline and a shared set of metrics reduces squabbling and lets marketing and sales collaborate more efficiently on what matters to the business — closing deals and earning revenue.
- **Helps marketing manage customer relationships like corporate assets.** In B2B markets, opportunities are limited to tens of thousands of midmarket and enterprise firms and hundreds of thousands of small businesses. These numbers shrink rapidly when you overlay industry, role, and solution constraints, making most B2B markets finite. Marketing success will depend more on marketing's ability to foster customer relationships, build community among like-minded customers, and encourage customers to advocate on the firm's behalf. By extending the lead management charter from profiling, scoring, and nurturing prospects to include current customers in the process, marketing becomes the focus for turning customers from sources of revenue into long-term sources of value.

How Technology Providers Help

As lead management tools become more capable, flexible, and easier to use, the resources required to align sales procedures and marketing activity decrease, making LMA more attractive and common. As is the case in many early-stage markets, marketers see vendors as providing mainly technology and tools, but not business solutions, proper process management instruction, or best practices for marketers to follow. To promote greater marketing professionalism and success, top vendors will expand their role from software provider to marketing executive partner. They cannot do this alone but must create a vibrant community of advisors, agencies, integrators, and best-practice implementers who shift the focus from demand generation to the role marketing plays across the customer purchase process.

To establish relationships with lead management technology providers that share this vision, marketers should balance expertise, proven implementations, and vibrant community activity against flashy features, promised ease of use, and low price tags. Look for technology providers that can help marketers shorten the time between implementation and realized value when they deliver:

- **Shared expertise.** Selecting a technology provider is the tip of the iceberg when successfully deploying LMA. Top providers offer new clients intensive training courses that focus less on how to use the system and more on how to redesign customer profiling as well as campaign planning, execution, tracking, and reporting processes. Taking inventory of content assets, facilitating the discussion of qualified lead definition, and building scoring models are key practice areas that marketers should demand as services from their technology providers.
- **Community.** Marketers will seldom get a full-service offering from technology suppliers because industry and market conditions vary widely. It is difficult for early-stage providers, which dominate the market today, to satisfy a broad set of customer needs well. Therefore, community participation — where marketers share best practices and strategy as well as campaign execution tricks and techniques — becomes essential. Strong community keeps marketers on top of industry trends and ways to improve their firm's own customer relationship management practices.
- **Thought leadership.** With estimates pegging LMA deployments at around 5% penetration today, the opportunity to expand this market is considerable. But to move from the early adopters to the early majority requires thought-leading perspective on the value of lead management to the business as a whole. Best demonstrated through executive case studies and testimonial, top vendors will encourage chief marketing officers and senior VPs to talk about how managing demand makes marketing an equal member at the executive table.

Appendix A: Methodology

In this study, Forrester interviewed 15 senior-level marketers using lead management automation in the US. The study evaluated the challenges and issues B2B marketers face in today's environment and the role lead marketing automation plays in addressing these concerns. The questions provided to the participants asked about the value received from automating lead management, how the decision to invest was made, as well as the overall best practices, challenges, and successes experienced. The study began in August 2009 and was completed in October 2009.

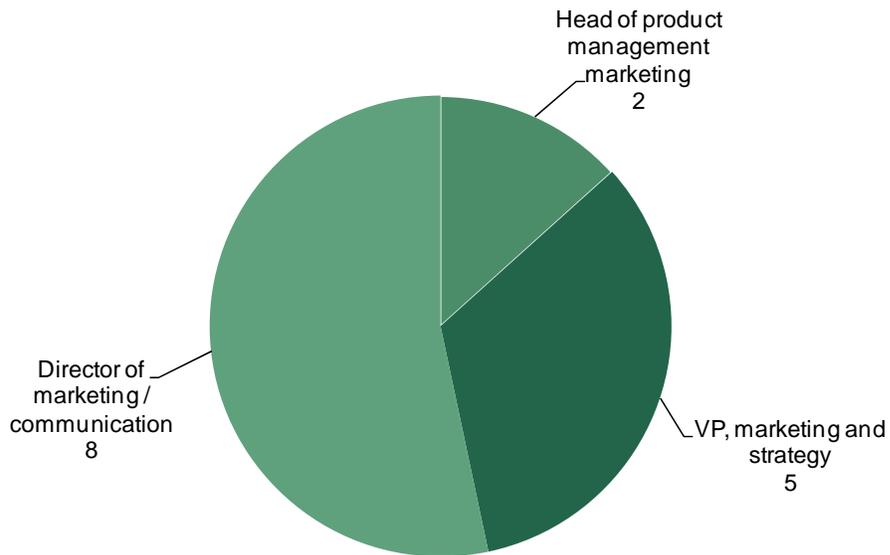
Appendix B: Demographics/Data

Forrester interviewed 15 senior-level marketers using lead management automation for this research report. The demographics of the interviewees included:

- Companies had 100 to 5,000 employees.
- Interviewees were based in North America.
- Silverpop provided up to three of the contacts included in the interview set.

All Respondents Are Senior-Level Marketers Using Lead Management Automation

Which of the following most closely describes your role with the IT organization?

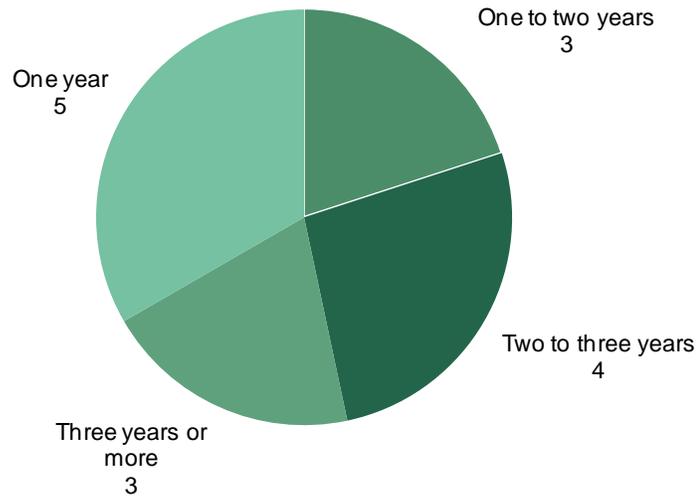


Base: 15 senior-level marketers using lead management automation

Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

All Respondents Have Used Lead Management For At Least One Year

How long have you been working with your current vendor?



Base: 15 senior-level marketers using lead management automation

Source: Commissioned interviews conducted by Forrester Consulting on behalf of Silverpop, September 2009

Appendix C: Endnotes

¹ To investigate how technology continues to change the perspective and tactics of B2B marketers, Forrester surveyed 569 marketing professionals and found the top three challenges most face include reaching decision-makers, measuring marketing results, and improving lead quality. Source: "B2B Marketing Needs A Makeover — Now," Forrester Research, Inc., August 2, 2006.

² In late 2008, Forrester surveyed more than 1,200 technical and line-of-business decision-makers who buy technology for their firms. Socially, this is an extremely active group, compared with US adults or other groups surveyed: Respondents over-index against consumers in all segments except Inactives. Source: "The Social Technographics® of Business Buyers," Forrester Research, Inc., February 20, 2009.

³ In our 2009 survey of B2B marketing budget trends, Forrester found marketers abandoning traditional marketing in favor of digital approaches because digital creates engaging, interesting experiences that rival personal selling without the cost of travel or in-person meeting logistics. It also lets marketers inexpensively and comprehensively foster relationships with more stakeholders than sales can reach. Source: "The Down Economy Pushes B2B Digital Tactics Ahead," Forrester Research, Inc., April 24, 2009.

⁴ Despite findings that revealed an early-stage market, Forrester finds the benefits of adopting LMA are clear: B2B marketers that successfully carry out lead management practices enjoy more predictable conversions, faster sales cycles, and real alignment between marketing activity and sales results. Source: "B2B Lead Management Automation Market Overview," Forrester Research, Inc., September 22, 2009.

⁵ Interview findings are consistent with prior Forrester research where 43% of survey respondents said that they expected to suffer decreases in marketing budgets for 2009. Source: "B2B Marketers' 2009 Budget Trends," Forrester Research, Inc., April 24, 2009.

⁶ Basic segmentation approaches make it difficult to precisely align marketing messages with buyer pain points or purchase cycle stages. B2B marketers improve their customer knowledge when they base segmentation on prospect roles, needs, or preferences, rather than sales-centric categories. Source: "Segmentation Versus Personas: Where Should B2B Marketers Start?" Forrester Research, Inc., June 2, 2006.

⁷ Companies start the buyer behavior research process by reviewing current customer segmentation models, identifying individual users within each segment, and then planning the interviews or studies needed to study how customers accomplish their purchase decision-making and business buying goals. Source: "Persona Best Practices: Developing Your Customer Research Plan," Forrester Research, Inc., September 23, 2004.

⁸ To close the gap between marketing activity and sales results, B2B marketers must baseline their lead management maturity, develop programs to nurture leads that don't yet warrant sales attention, and define metrics that directly identify marketing's contribution to the sales pipeline and closed deals. Source: "Improving B2B Lead Management," Forrester Research, Inc., October 4, 2009; "Four Ways To Grade Lead Management Maturity," Forrester Research, Inc., January 15, 2009.