

**Lead Incubation:
A Systematic Approach to
Closing More Business**

WHITE PAPER

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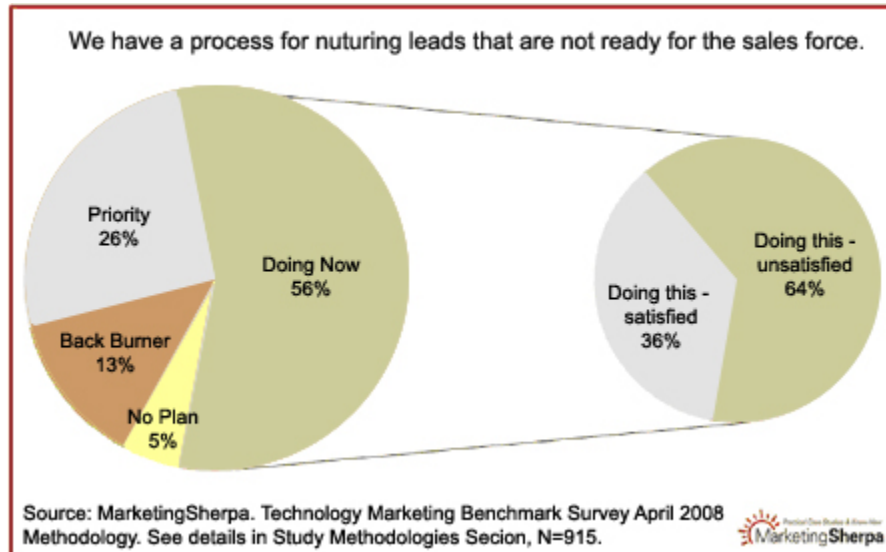
Today's marketers recognize that as competition increases, expectations increase as well. Now, more than ever, the marketing function is being held accountable for delivering measurable results and having a positive impact on the bottom line. This growing emphasis on marketing accountability presents some very critical and challenging demands for marketing organizations. They must focus on both short-term results and long-term gains. To get the most out of every marketing program, and to enhance revenue potential, companies must focus on maximizing the outcome of every lead generated.

In many ways, the art of lead management is much like playing baseball. Sometimes you generate home runs – prospects ready to buy – while most often you generate prospects that are not yet ready to round the bases. In this case, it is marketing's job to keep the prospect in the game.

History shows that ongoing communication and proper touch points can eventually turn a lead into new business even two years after the lead was generated. Implementing a systematic, continuous, personalized, and automated lead incubation process will generate great value – and will translate to more buyers and revenue over time.

Opportunity Leakage

It is not uncommon for some companies to spend upwards of hundreds of millions of dollars on lead generation. Yet across the board and across industries, lead-to-buyer conversion rates are relatively low. And, there's a reason. Some analysts estimate that between 60 and 80 percent of leads generated are never followed up on at all. According to MarketingSherpa's *2008 Business Technology Marketing Guide* nearly half of the companies they surveyed do not have a process for nurturing leads, and over half of those that claim to have a lead nurturing system are not satisfied with the process they've implemented.



Lead Incubation – The Secret to Keeping Prospects Engaged

Traditional Email Marketing

- ✓ Typically scatters high volumes across a broad spectrum of recipients.
- ✓ One-time broadcast usually scheduled on a calendar date.
- ✓ Often perceived as SPAM.
- ✓ Usually provides low response and low conversion ratios.

Lead incubation is all about moving prospects along in their buying cycles. It's about having consistent, non intrusive and meaningful dialogue with viable prospects regardless of their timing to buy. It's about building trusted relationships and maintaining ongoing dialogue. To achieve optimal results, companies can no longer rely upon salespeople to call upon prospects every few months to find out if the prospect is ready to buy yet. Companies can significantly improve their bottom line by implementing an incubation process that leverages automated, soft communications to stay in front of the prospect.

Unlike typical email marketing initiatives that are designed to generate new customers, lead incubation deploys a very different marketing strategy, beginning with a known prospect that has shown interest and who meets basic customer criteria, but has yet to convert. What makes this approach unique is how it applies history and database analytics to dynamically drive personalized, case-specific messaging that helps build a relationship between the company and the message recipient.

A dynamically generated direct marketing technique, lead incubation can increase the number of existing leads that convert to sales, while reducing marketing acquisition costs and increasing revenues. It incorporates

sophisticated fundamentals of direct response marketing that are heavily grounded in analytics and ROI.

Lead Incubation

- ✓ Reaches known prospect's who are in-market and interested in your product or the problem you solve.
- ✓ Timely one-to-one communications with relevant messaging.
- ✓ Deepens prospect interest and builds loyalty.
- ✓ Maintains prospects "top-of-mind" awareness.
- ✓ Drives prospects to take action – when they are ready.

Using an automated, rules-based process, the prospect receives ongoing, relationship-building dialogue from an individual at the company. Content for each new message is generated based on the types of prior prospect response (or not), communicating custom, timely and relevant messaging that speaks to prospects according to their individual needs and their position in the sales cycle. Each interaction is designed to learn more about the prospect and their current needs and situation.

This market-proven technique provides valuable information, holds the prospect's interest, and keeps the company 'top of mind' for when the prospect is ready to buy. Automating the process keeps the messaging timely and the cost low.

Steps to Developing a Lead Nurturing Program:

- ✓ **Develop Process Flow and Pathways:** Assess existing lead management processes, score the leads (by source, origin, timing, product, etc.) and identify where leads may be falling out of the sales cycle.
- ✓ **Score the Leads:** Identify what stage of the buying cycle each prospect is at and predict when they will be back "in market" and ready to purchase.
- ✓ **Deliver Relevant Content for each of the pathways:** Leveraging the knowledge gained from ongoing prospect interactions, and utilizing proven direct response marketing copy, relevant offers, and formalized incubation pathways are used to provoke a "ready to buy" response.
- ✓ **Track, report and analyze all "open and read" activities** through to transaction, enabling continuous monitoring of program progress and to drive future dynamic messaging.

Lead Scoring – Making the Offer Relevant

Custom lead incubation marketing begins when the prospect/customer first expresses interest in a company's product or service. It is imperative that the content being sent to the prospect/customer remains specific to the individual and where they are in the sales cycle. Lead scoring is a great way to segment

your leads so that you can determine how best to nurture each prospect through the sales pipeline. Leads can be rated based on a series of data points, such as location, purchase time frame, role, or any specific facts you know about the individual. Utilizing real-time segmentation, the program can then create a strategically developed staged series of direct “one-to-one” email messages and offers to be sent to each prospect on a predetermined frequency schedule by a defined incubation pathway. Specific actions taken by the prospect (opening of emails, clicking on certain links, downloading of documents, etc.) will trigger specific follow-on communications or actions.

An effective lead incubation program will deliver communications that are:

- ✔ Triggered by prospect actions
- ✔ Sent as an individually-timed, one-to-one communication
- ✔ Scripted to create a continuous and relevant dialogue
- ✔ Determined by specific prospects situation
- ✔ Automatically adjusted by prospect’s response
- ✔ Designed to provide automated “Triggered Alerts” for proactive follow-up
- ✔ Effective at cultivating relationships and converting prospects into closed business
- ✔ Database driven
- ✔ Monitored by sophisticated analytical reporting – to enable constant process improvement and higher campaign ROI.

What makes lead incubation truly effective is that each communication delivers relevant, “needs based” content to drive a response back to the company when the prospect is ready to transact. For example, although you might have a product or service that appeals to everyone, your personalized messaging would be quite different to speak with relevance to single or married prospects; those with no, young or older children; newly married or newly retired.

Direct marketing is a nesting of two separate but dependent business disciplines; art and science. The creative aspect of the lead incubation process cannot be overlooked; the closer the creative and copy match the prospect’s position in the buying cycle, or the customer’s personal needs, the more likely the prospect will buy. Conversely, if the creative does not appeal enough to

evoked a response, or does not use and leverage the proper touch points identified in the preparation process, the lead incubation program can quickly fail.

Incubation Pathways – Making the Interaction Relevant

An effective lead generation program will have the ability to develop several pathways to address different prospect or customer situations and statuses. A workflow of automated emails is designed for each pathway to address the appropriate situation based on timing rules and response. The communication flow and content is designed to be in front of the prospect with the right product when the prospect is ready to purchase.

There are many strategies to incentivize consumers to register to participate in an email lead incubation program. For retailers, these can include signups for special offers, newsletter and/or helpful information, industry or other alerts, contests or special events. Insurance companies can offer rate quotes, savings comparisons, newsletters, information, etc. Lenders may encourage sign-up for interest rate alerts, online prequalification tools such as home valuation models or mortgage calculators and sign-up for credit card promotions or special offers. Home service professionals can provide do-it-yourself tips or seasonal promotions. Technology providers can offer up educational white papers for those in the early stages of the buying cycle or demos for later stage prospects. The key to on-going communication is to offer the recipient something that you know is of value given your previous interactions and their expected needs given their place in the sales cycle.

All registrations should contain an opt-in form that captures user permission as an electronic record. It also should collect the email address and other relevant base information to launch the lead incubation process.

Monitoring and Tweaking for Success

All marketing programs should provide the ability to measure, monitor, track and report results on all facets of the marketing initiative. This holds true for lead incubation. A pivotal requirement for success in lead incubation is the ability to optimize, replicate and quantify results to generate predictive models.

An effective program should include the ability to analyze email results from “open and read” data through to transaction analysis. An end-to-end model should be established to analyze results by specific lead incubation pathway and lead frequency, and tied to online or offline response, inquiry and purchase activity. The resulting in-depth response information provides companies with marketing intelligence that can be used to increase sales performance.

Conclusion

Lead incubation is a proven methodology for maintaining relevant and ongoing contact with prospects in order to convert them to buyers. By engaging with prospects and understanding where they are in the buying cycle, you will favorably enhance the lead-to-sale process – making the most of your marketing dollars.

Regardless of economic conditions, lead nurturing is an activity that should sit at the center of any marketing department. By converting leads that otherwise may have fallen by the wayside, lead nurturing can increase conversion and revenue while lowering acquisition costs. Lead incubation can also be used to link, cross-sell and up-sell a multitude of products and services to new prospects as well as to existing customers.

Don't let your organization be one of those companies that invests marketing dollars and resources to generate leads that end up sitting idle in your database. Stop opportunity leakage. Protect your marketing investments – and future revenue potential – by implementing a systematic lead incubation program. Take the necessary steps to turn your sleepy leads into sales.