



A Harte-Hanks White Paper

# Lead Nurturing 2.0 Are You Ready?



Lead nurturing in the digital/social age demands new skills and strategies. Learn how to assess your organization's readiness.



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## Lead Nurturing 2.0: Are You Ready

Today, business-to-business (B2B) marketing and sales professionals are seeking more effective ways to maximize the impact of their efforts, and lower the cost of sales. One important way to make the most of every opportunity is through the adoption of lead nurturing best practices. But lead nurturing has changed, some might say evolved, from a fairly simple process of creating and distributing static content to self-identified prospects, to a process of continuous interaction across numerous communication channels. It seems that while some companies are still struggling to get started with lead nurturing, Lead Nurturing 2.0 is already here. Are you ready?

In this assessment guide, Harte-Hanks offers insight to help marketing leaders evaluate the requirements for a successful 2.0 nurturing program, identify the resources they may already have and those still needed, and begin to build for success.

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## The State of the Industry

According to the November 2008 Aberdeen Group report, “Lead Nurturing: The Secret to Successful Lead Generation,” 16% of the total leads that are deemed sales opportunities actually close, and the difference between a successful company and a mediocre company lies in how the remaining 84% of already qualified opportunities are handled. Fifty-six percent (56%) of respondents to the Aberdeen survey indicated that they lack a formal lead nurturing program to support and nurture long-term opportunities. The downside to this lack of preparedness, of course, is tremendous lost sales revenue from what could be potentially profitable customers.

B2B marketers are asking themselves, “Is my company ready to embark on a next-generation lead generation program?” This comprehensive assessment guide is designed to help marketing leaders understand what is required and what to consider before taking those important first steps.

## Lead Nurturing Defined

To know if a company is ready to adopt a Lead Nurturing 2.0 program, it is best first to explore the concept of lead nurturing itself. Lead nurturing is a relationship-building process designed to support a prospect’s buying cycle.

Through lead nurturing practices, a B2B organization offers prospects a stream of uniquely relevant information and engages them through an ongoing dialogue. This dialogue serves to ensure that prospects have the education and information they need in order to make a purchase decision.

Through lead nurturing practices, a B2B organization offers prospects a stream of uniquely relevant information ...

## Steps for lead nurturing

Taking things a step further, Lead Nurturing 2.0 leverages the information that a marketer already knows about a prospect – along with what the

prospect reveals about him or herself during the sales cycle. The overarching idea is to integrate both self-reported and behavioral prospect data and then to use this insight to drive prospect engagement. Lead Nurturing 2.0 is not about campaigning when a company feels it is appropriate. Rather, this approach enables measurement of buyer engagement to deliver the most relevant message possible when the buyer needs it.

## Why Lead Nurturing is Important Today

Lead nurturing is particularly critical in today's B2B environment. Consider three especially valid reasons to nurture leads:

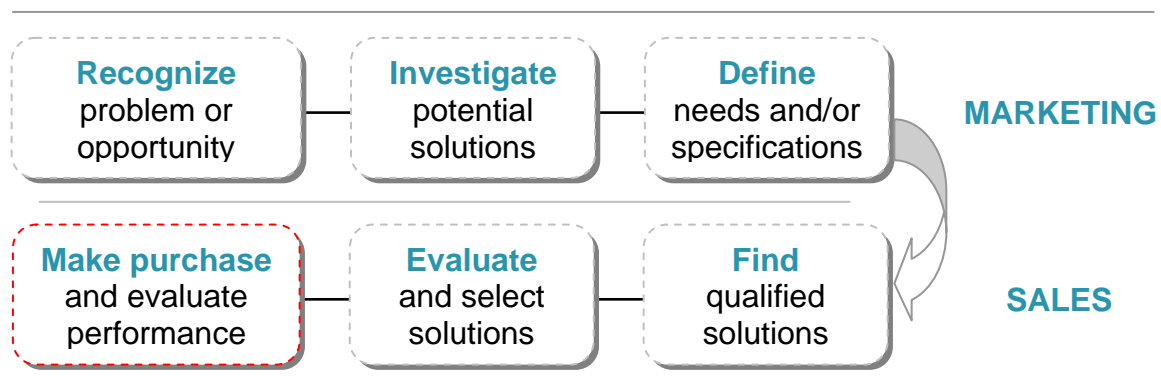
1. The modern buying cycle has been extended and decision making takes a lot longer, with more and more people entering and exiting the process. With deals lasting six or more months, it is not uncommon for the buying cycle to outlast the salesperson. Lead nurturing helps to pre-qualify opportunities and use credibility to build relationships and guide the buying decision, potentially shortening the process for current and future sales.
2. Products are becoming more commoditized and global competition is expanding the playing field in virtually every industry. People buy from others they know and trust, so lead nurturing with credible content offers a point of differentiation in a crowded marketplace.
3. In a volatile market, companies are pushing off purchase decisions until the economy improves, making every qualified lead more valuable. Lead nurturing offers a systematic process for improving the quality of new relationships as well as re-capturing those that might otherwise be lost.

There is a real need not only to nurture individual decision makers but to nurture the potential deal itself through a strategic, coordinated effort that

facilitates more informed, more engaged prospective buyers. Informed buyers often translate into longer relationships, as well as shorter, more efficient and more cost-effective sales processes overall.

## What's the Same, What's Changed?

Regardless of the many changes in the economy and in business today, the basic B2B buying process still holds true. The direct marketing principles of gathering data, targeting prospects, and developing customized content still apply. Telemarketing and e-mail remain important lead-generation channels. Input and coordination across both the sales and marketing functions is needed, yet marketing and sales still experience challenges in agreeing on the process.



**What has changed, however, is this: Lead Nurturing 2.0 requires and incorporates active prospect engagement.** Today, buyers gather information and make decisions on their own terms. In doing so, they make more astute evaluations earlier in the process and often take more time. There are also more ways for prospective buyers to be influenced by competing companies. The Internet and social media have brought to the forefront an instantaneous and preferred method for evaluating products and services.

**Key questions about prospect engagement that marketers can now answer:**

- *Where is a prospect visiting online?*
- *How long is the visit?*
- *How frequent?*
- *What is being commented on, downloaded or referred?*

This is invaluable data that marketers can use to enhance the lead nurturing process, making engagement more relevant and meaningful to the prospect and, in turn, shortening and improving the sales cycle.

With more prospective customers engaging digitally and more marketing tools that are honed in their ability to segment, target, and leverage prospect data across integrated channels, lead nurturing has taken on a new level of sophistication. Before the Internet, the technology community, for example, used electronic bulletin boards to communicate about products and services. Today, social utilities including LinkedIn and Twitter, and B2B corporate-branded communities such as those developed by Intel, Citrix, and American Express offer many more options for buyers to monitor and research before purchasing.

**Well-executed lead nurturing can go a long way towards generating good will for a company and its products and services.**

So how is a prospective buyer impacted by lead nurturing efforts? Well-executed lead nurturing can go a long way towards generating good will for a company and its products and services. For one, buyers appreciate timely and relevant information that adds value as it helps them feel more in control. Buyers like being made to feel part of an informed community. Poorly executed lead

management, on the other hand, can do just as much to hurt a relationship. Buyers today have little time or patience for spamming, the definition of which has expanded to include sending untargeted information, even to those that opt in to hear from a company.

## Top Needs for a Successful Lead Nurturing 2.0 Program

Developing and implementing an effective lead nurturing 2.0 program requires specific expertise in four top areas:

1. Talent
2. Insight and segmentation
3. Digital capabilities
4. Tools and measurement

### 1. Talent

Traditional sales and marketing professionals are often directed simply to “drive sales” without an established strategy or plan. But in today’s environment, buyers repeatedly demonstrate that campaigns designed to stimulate a buying decision simply are not good enough. What’s needed in the B2B marketing department is a different skill set – skills heavily focused on the buyer journey, not on the product or service.

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Marketing and sales people must be more Web savvy; astute in understanding social behavior on the Web and how those behaviors and attitudes translate to future buying decisions. It is also important for marketers to have a background in the sales funnel process and how it

works. Lead nurturers must also be comfortable with data, analytics and buyer insight, and have the ability to leverage the tools available today.

Finally, marketers embarking on a lead nurturing program need to be focused on return on marketing investment and measurement – both online and offline – to be able to justify costs over the entire sales cycle.

**Key lead nurturer roles include:**

- *Strategic Business Analyst – to examine data and understand and leverage buying information in a marketing context*
- *Strategy/Planning Expert – to work with an analyst to develop contact and communications planning along with the lead nurturing process. They will create complex and logical workflows that leverage unique insight into buyers.*
- *Campaign Operations Professional – to leverage tools and technology to ensure that plans work as conceived*
- *Online Creative Professional – to create content that takes advantage of data and insight and who will leverage the dynamic nature of the Web to drive prospects down the funnel to a sale*

While many B2B marketing departments have these skills in-house, there is often a tremendous amount of overlap – people covering multiple roles simultaneously. Not surprisingly, the lack of specific focus on any one role tends to make each of them less effective.

According to the Heidrick & Struggles 2008 survey, “Digital Marketing and Revenue Growth: It’s About the Talent,” company leaders know that now, more than ever, they need the power of digital marketing to grow revenue. But many also say they’re having a hard time finding the right talent to make it work. Of the more than 100 senior marketing executives surveyed, 71% reported that in order to address their company’s gap in digital marketing capabilities they would have to look outside, either by hiring in new talent or by depending on ad agencies or other external partners for help.

As marketing leaders consider these questions, it is important also to ask if an ideal profile for their Lead Nurturer 2.0 marketer(s) has been identified and, if so, would their firms be able to attract and retain those people, if hired? What support could the organization offer to facilitate their work, helping to retain them for the long term?

**Top questions to ask to assess marketing talent in specialized areas:**

- **Digital literacy:** *How digitally literate is the organization? How many team members have experience in the social media space? How many are genuinely enthusiastic and creative in new media?*
- **Sales literacy:** *How sales literate is the organization? Do they understand the dynamics of the marketing and sales functions? Do they have a good feel for how customers buy and how to leverage marketing velocity?*
- **Technical literacy:** *How technologically savvy is the organization? Does staff feel comfortable leveraging technology to create more advanced nurturing and lead qualification tracks? Are they more likely to develop single-channel campaigns than integrated? Will they be comfortable collaborating with the CIO?*
- **Understanding the buyer:** *Does staff think about the buyer first and the marketing process second? Do they have a solid process for establishing communication around the buyer's journey? How important is buyer insight to the marketing staff? Do they know how to find and translate buyer segments into contact and communication plans that nurture and grow relationships?*

## 2. Insight and Segmentation

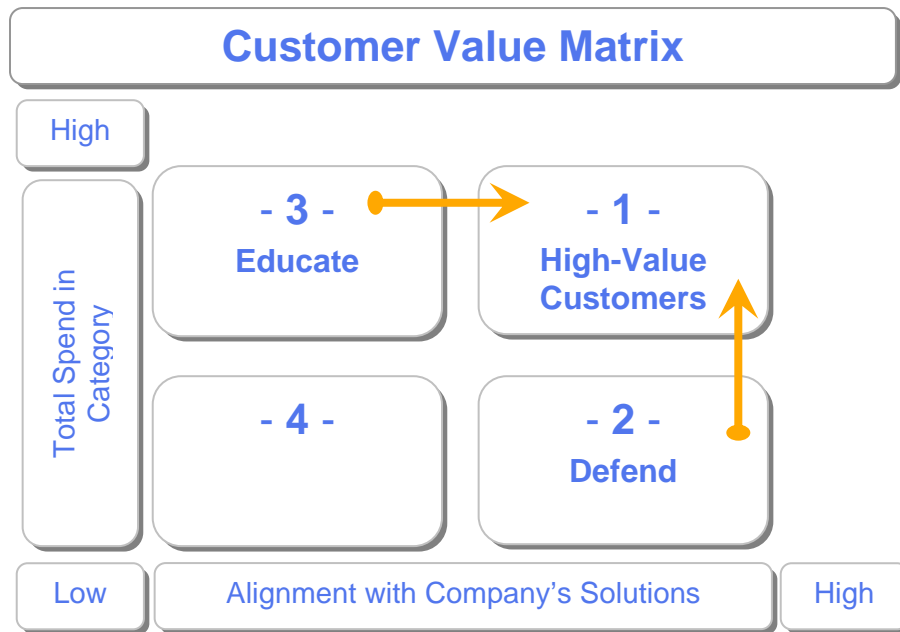
Marketers need to understand and segment prospective buyers in ways that allow them to establish individual value, develop relevant messaging and react to the prospect's behavior and level of engagement.

Knowing value is the basis for determining allowable spend, which is the amount a firm can afford to spend to acquire or reclaim a customer. Knowing value also helps determine how much time to invest in the lead nurturing process. In lead nurturing, there is an inherent need to understand prospective buyers in ways that facilitate buyer value assessment, segmentation, and engagement analytics.

### *Buyer value assessment*

Evaluating buyer value helps determine how much to spend on nurturing an individual target. Most B2B companies have trouble identifying those prospects which represent both their greatest opportunity for growth, profit, and retention, and their greatest risk of attrition.

Buyer value can be calculated any number of ways but the simplest and most direct approach is to examine how much that company spends in a particular product/service category as well as how much they spend with the marketer's firm. Companies that are top category spenders – and which align with the marketer's solutions – can translate to high-value prospects most easily. The Customer Value Matrix illustrates this idea.



**Segmentation**

Segmentation allows messaging, channel, and to some degree context to be tailored to individual groups of prospects. Effective segmentation helps move prospects through the nurturing channel faster by delivering the right message to the right buyer in the right context.

Organizations may segment based on company size or region because these factors align with the structure of their sales organizations; however, there can be vast differences between companies and buyers in such groups. Other, more effective factors upon which to segment include behaviors and needs. Segmenting behaviors and needs enables marketers to

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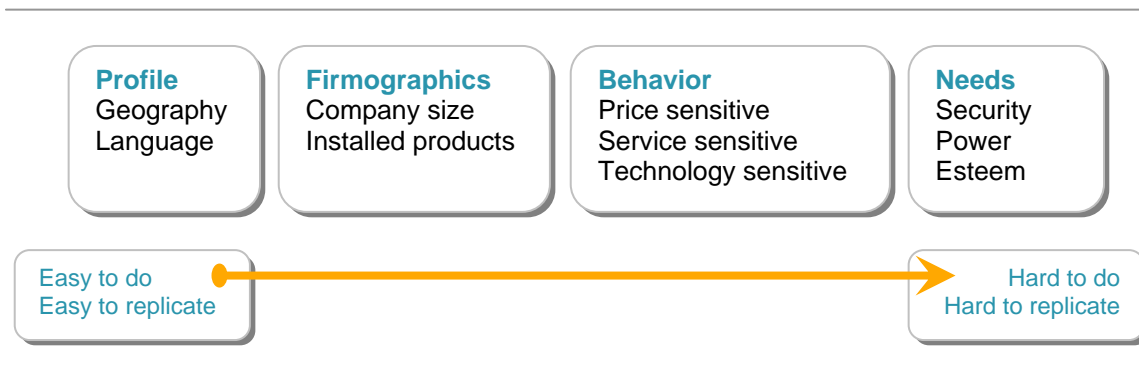


Speak directly to the requirements of a specific buying type or role. To do this, marketers must first determine whose needs they are trying to target and whether these needs stay constant or if they will change through the buying process.

Role-based segmentation can be a solid stepping off point in helping nurturing programs talk directly to a specific buying role – for example the purchaser, influencer, or end user. Role-based segmentation should include information gathered about pain points, motivating factors, typical behaviors, media preferences, decision-making criteria, and the level of qualification.

Knowing individual buyer personas is also important insight for lead nurturing. Data should include profile (firmographic) information; role-based attributes (user buyer versus economic buyer, for example); behavioral attributes; attitudinal biases and motivational attributes; marketing channel preferences; and buying preferences.

Being able to view and evaluate behavioral data is critical to segmentation. Primary research and in-depth interviews (IDIs) can help enhance a prospect’s value segmentation, helping marketers to understand and communicate more effectively based on a prospect’s attitudes about the company, product, or service. Of course, some of these insights are easier to acquire than others, and the following graphic provides a guide to where the quickest gains are typically possible.



**As a rule, good segmentation ensures:**

- **Significance:** Each segment is different in meaningful, uniquely identifiable and actionable ways.
- **Scale:** The total number of segments is small, and each segment is large enough to communicate with effectively.
- **Mutual exclusivity:** Each target company and its buyer roles fit squarely into one clearly defined segment, and only one.

**Engagement analytics**

Analyzing engagement enables a company to react to how prospects are interacting with it. What if a firm knew how a prospect was engaging with it both online and offline, where they were in the buying process, what they were most interested in, what competitors they were talking to, what needs they were trying to address, and what attitudes they have about the brand?

It would be tremendously valuable for a company to have access to such data. Engagement analytics can help to accelerate the buying cycle through the use of relevant messaging. The end result should be interactions that the customer initiates because of a trigger event or communication – and that the marketer stimulates through a series of continued touches designed to uncover the buying intent, buying stage, and other softer emotional and attitudinal measures.

Key to using advanced engagement analytics is the work that is performed ahead of time to design content and build the necessary infrastructure. The content must help to reveal clues about the

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responding company's interests, attitudes, and buying stage. The technology infrastructure and analytical framework must enable the marketer to capture and leverage this data.

Marketers considering a Lead Nurturing 2.0 approach must ask themselves how their company uses analytics to react to customer engagement. Does it change messaging based on how prospects have reacted to nurturing paths in the past? When the company has data about high-value segments – their roles, behaviors, preferences, and attitudes – can it model them onto a prospect database to identify similar prospects?

**Other top questions to ask about insight and segmentation capabilities include:**

- *Are best customers identified?*
- *How much can the company afford to spend on nurturing an individual prospect?*
- *Is buyer insight used to change how a prospect perceives the company during the nurturing process?*
- *Can the company identify how customers differ from one another as they move along the nurturing process?*
- *What makes companies decide to purchase the firm's products and services?*
- *How do buying groups and roles differ across products and services and how does the company translate this into its nurturing stream?*
- *Is the company designing content in a way that measures the level of buyer engagement during the nurturing process?*
- *Are leads scored using self-reported data only or can the company also include customer value and online engagement into the mix?*

### 3. Digital Capabilities

B2B consumers in all categories are flocking to the Web to determine how their peers evaluate products and services, and to contribute to the conversation themselves. While this is not breaking news, it suggests a change in focus as marketers prepare to adopt digital nurturing.

#### Content

Content marketing is of key importance in next-generation nurturing programs as each communication must be relevant, timely, and provide value to the prospect in a way that goes beyond selling. Content should consist of thought leadership pieces that can be used to sell and which can also be used stand-alone. Consider repurposing existing digital assets – widgets, games, online apps, and benchmarking and assessment tools – as content marketing pieces. Remember that relevancy drives conversion.

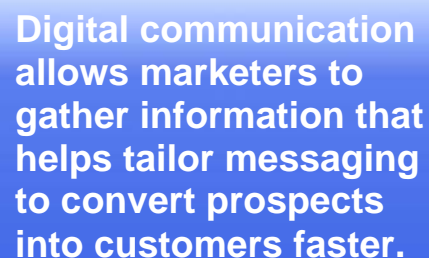
#### Community

In a B2B environment, buying decisions are greatly influenced by community, and in the online space this is hotter than ever.

Companies are creating ways to put themselves in front of prospective customers in the places in

which they form opinions. As such, communities can be an important part of the nurturing process.

Using targeted content and stimulating conversation in communities can be an effective way to supercharge direct nurturing efforts. It is important to note that communities help create trust and credibility.



Digital communication allows marketers to gather information that helps tailor messaging to convert prospects into customers faster.

**A company can benefit from communities by following these tips:**

- *Add value with relevant content*
- *Connect with others in meaningful ways*
- *Be personal by identifying thought leaders as people and not corporate drones*
- *Promote conversation*
- *Be truthful*
- *Align conversations with lead generation tactics – but not selling*

### Conversion

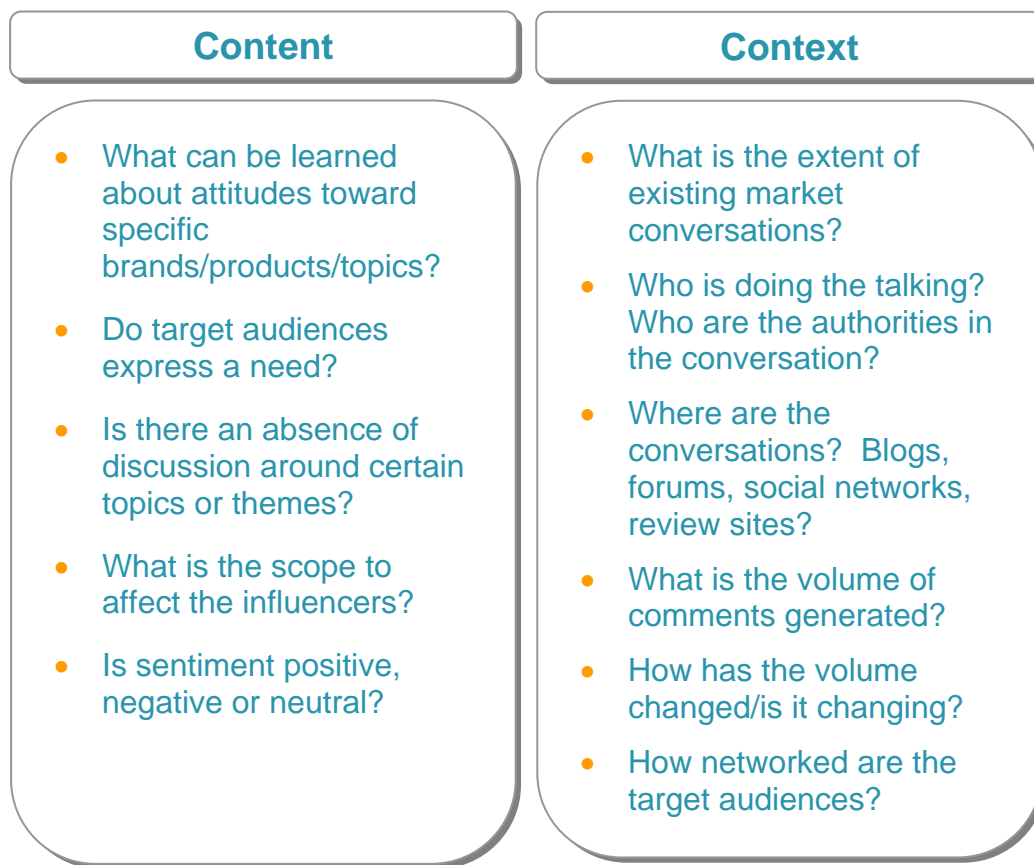
Digital communication allows marketers to gather information that helps tailor messaging to convert prospects into customers faster. Using online engagement in the nurturing process can be a more efficient, more relevant way to communicate with prospects. Digital can also be leveraged to identify more quickly the hand raisers entering the nurturing process, thereby speeding up the sales cycle.

That said, it is important to note that offline channels still have a role to play – the key is to integrate offline with online efforts. For example, a nurturing program might include direct mail and/or phone calls to a qualified prospect to promote relevant events or thought leadership pieces, or offer a special incentive – each communication driving responders to a landing page where their engagement is captured to inform the next step in the nurturing process.

### Social media

Using social media in the nurturing process requires specific capabilities, including the ability to:

- **Listen to what customers and prospects are saying** about the company and leverage content marketing programs accordingly. Listen for both content and context to inform the nurturing process – each provides a unique set of insights.



- **Promote event and content marketing offers** to targeted groups of people in the network. Used carefully, this can be an effective tactic to move prospects along the nurturing stream.
- **Link to other industry thought leaders** and promote content marketing opportunities such as research and white papers. Include the company's Twitter address, blogs, and community sites in all less sales-focused nurturing communications to encourage engagement.
- **Ask prospects if and how they use social media.** Collect this data at every point of interaction. Social media usage is different for business users, and ways to reach them and learn about them may include activities such as:
  - LinkedIn
    - Groups
    - Status
    - Events
    - White paper platform
    - InMail and targeted advertising
  - Ning dedicated social networks
  - Twitter brand and employee broadcasts, and monitoring
  - Facebook groups, events and pages
  - Dedicated blogs – strategic content and readership focus

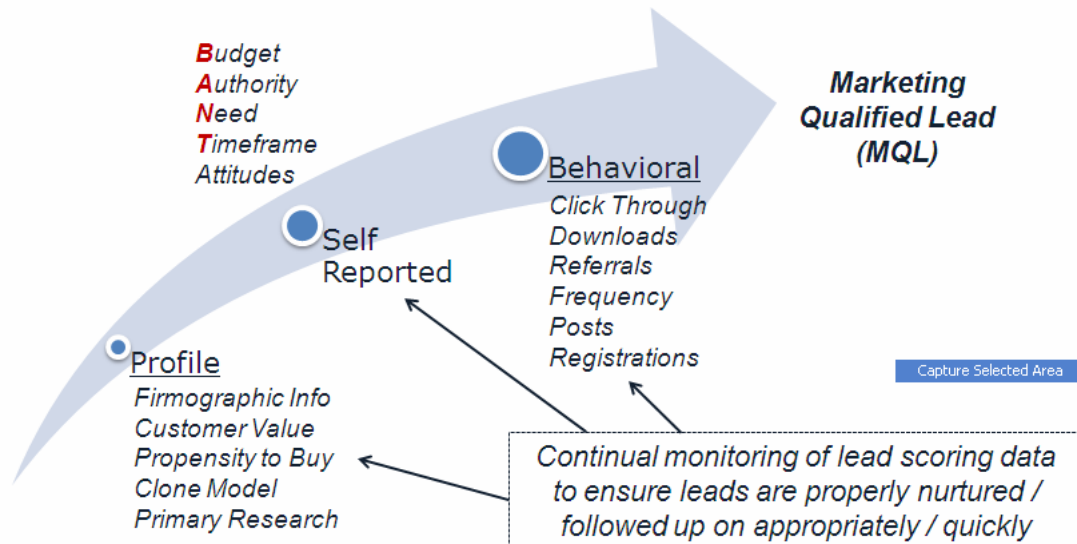
**Other top questions to evaluate the company's digital nurturing process include:**

- *Are customers and prospects online, or how do they use digital media to inform their buying concept?*
- *What content does the company have and how does it support nurturing?*
- *Can marketing create relevant content that drives the nurturing process?*
- *Where do customers and prospects gather? Where are these communities and how can they be leveraged?*
- *What are customers and prospects saying about the company online? What can be learned from this?*
- *How can marketing track and use this information in its nurturing programs?*
- *Can marketing integrate online and offline channels to drive the nurturing process?*
- *How does social media fit into the overall nurturing strategy? What are the goals?*

#### **4. Tools & Measurement**

Given the capabilities discussed in this assessment guide, certain systems need to be put into place to enable a productive Lead Nurturing 2.0 program. Considerations include having the ability to drive segmentations into campaigns. As marketers begin to model and score prospects and customers, the database needs to be able to accommodate this data. A company's ability to capture and use self-reported, company profile and behavioral insight (i.e., explicit and implicit lead scoring data) will greatly impact the way it will target, spend, and communicate to its nurturing groups.

## Explicit and Implicit Lead Scoring Approach



To be an effective lead nurturer, a company also needs the ability to watch engagement so that it can change messaging quickly and efficiently. Marketers will need appropriate layers of Web analytics and engagement monitoring to determine how and when people respond, and what drives that response. Marketers also need to be able to score leads by blending self-reported data, behavioral data, and value or propensity modeling. Systems should accommodate the use of points systems that allow for flexible scoring and reporting.

Another key lead nurturing tool is the ability to integrate information derived from engagement into existing automation applications. Because nurturing involves data from both up and down the funnel, marketers need to have visibility into leads that are accepted and worked or rejected and not worked by the sales team. This interplay between marketing and sales systems is crucial in that marketers need to know when a lead converts as well as when a lead becomes inactive.

Finally, a company needs to be able to measure and report effectively through dashboards. Because different buyers, decision makers, and influencers have different needs marketers must have the tools that allow for measurement and reporting at every level.

**Other top questions to evaluate tools and measurement include:**

- *Is there a single view of the company's customers and prospects today, shared across sales and marketing tools?*
- *Does marketing have a clearly defined set of metrics for assessing and scoring potential lead value, buying stage, and level of interest/engagement?*
- *Is marketing able to score leads continuously, and change how they're treated as their score changes?*
- *Is there a system in place to flag rejected and dormant leads and assess their viability for further nurturing?*
- *How can marketing monitor and leverage what prospects and customers are saying about the company online?*
- *Is the data repository and toolset flexible enough to enable gathering, reporting and using the data needed to drive meaningful engagement with leads, even as the nature of the data changes with the ever-evolving digital medium?*

## Go It Alone or Get Help?

The fact is, creating an effective program that delivers on the promise of lead nurturing is not simple. Unless a firm has a robust team of in-house lead nurturing experts, and the resources and tools to support their creative, analytical, technical and execution needs, outside help will be necessary. Selecting a partner to help with lead nurturing is therefore a mission-critical first step.

**An organization should ask these questions of a potential partnering firm:**

- What experience and expertise does the company have in sales and marketing in the B2B environment?
- Can they provide case study examples and testimonials from clients?
- What do they bring to the table in terms of strategy, content creation, analytics, technology, and database programs?
- What additional resources can they offer to support the program, either through their own services or through established partnerships?

## Are You Ready?

At this point, marketers typically ask themselves, “Is my organization prepared to embark upon a Lead Nurturing 2.0 program? Are we ready to justify costs around lead nurturing efforts, to drive return on marketing investment? Where and how should we start?”

Lead nurturing has become a critical component of any successful B2B organization’s marketing strategy, and Lead Nurturing 2.0, with its focus on buyer-driven engagement, is quickly moving to the forefront of preferred nurturing strategies. Putting all the pieces in places requires securing and developing the talent, insight and segmentation, digital expertise, tools and measurement that will convert prospects into customers for the long term.

Are you ready?

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