The Definitive Guide to Lead Scoring

A Marketo Workbook

Marketo®

Contents

Your buyers have changed forever

Your prospects are turning to online channels to research products, services and best practices. They are searching websites, attending webinars and downloading thought leadership long before they are ready to buy. Marketers and salespeople must engage early in the buying process to gather understanding and react with the right strategies.

This guide will help companies grow their understanding of lead scoring and improve execution with best practices and easy-to-use worksheets. With lead scoring you can determine a prospect's current level of interest in your business and use that information to drive sharper, more relevant engagement. Lead scoring also ranks the prospect's demographics, like title, industry and annual company revenue, to make sure they fit your target customer profile.

Whether you're a lead scoring pro or just getting started, these scoring tactics, case studies and measurement tips will transform your practices.

Part One

What is Lead Scoring and Why Do I Need It?

What is Lead Scoring and Why Do I Need It?

What is Lead Scoring?

Lead scoring is a shared sales and marketing methodology for ranking leads in order to determine their sales-readiness. You score leads based on the interest they show in your business, their current place in the buying cycle and their fit in regards to your business.

Companies can score leads by assigning points, implementing rankings like A, B, C, D, or using terms like 'hot', 'warm' or 'cold'. The key point is that marketing and sales increase their combined efficiency and productivity based on the clarity of a sales-ready lead.

Lead scoring helps companies know whether prospects need to be fast-tracked to sales or developed with lead nurturing. The best lead scoring systems use demographic and firmographic attributes, such as company size, industry, and job title; as well as behavioral scoring such as clicks, keywords, and web visits.
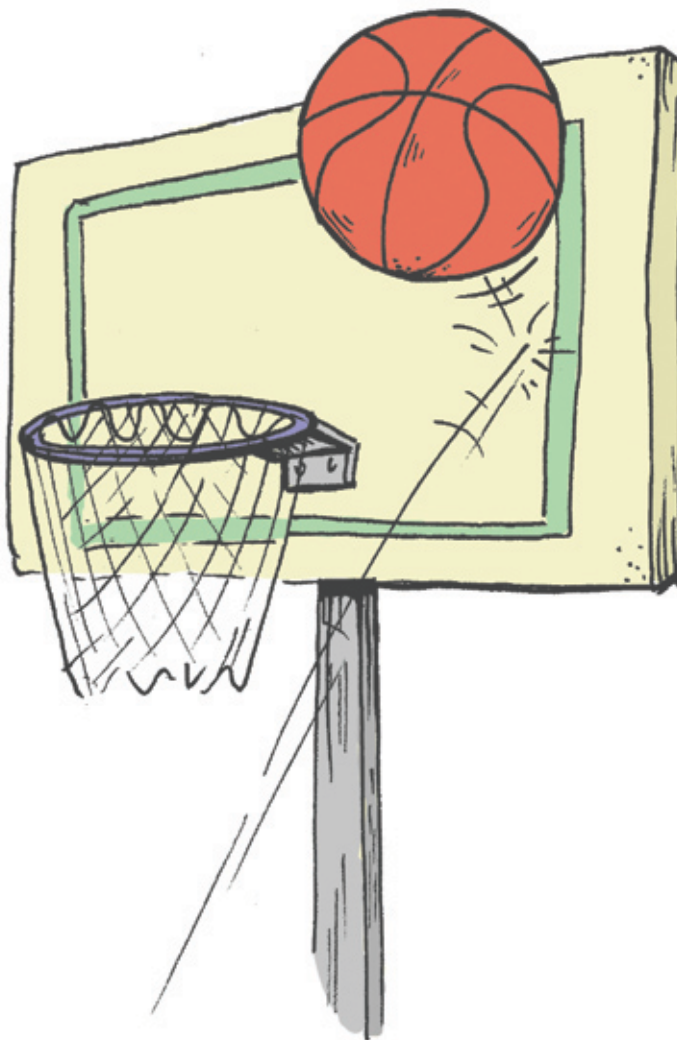
What Lead Scoring Isn't – Pitfalls to avoid:

The goal of lead scoring is to identify which leads are ready to move to sales and which leads require further nurturing. No lead should be left behind.

Lead scoring is not:
- A stand-alone marketing process because sales' input is essential to identify a "qualified" lead
- Cherry-picking hot leads while ignoring the rest of the database

What is Lead Scoring and Why Do I Need It?

Why Does My Business Need Lead Scoring?

According to a RainToday.com report, less than 25% of new leads are sales-ready. So how do you know when it's time to make the call? How do you nurture and close the remaining 75%? Lead scoring helps you engage in activities that drive revenue on both fronts by streamlining lead flow and improving productivity and efficiency between marketing and sales.

Essential to Strengthening your Revenue Cycle

Lead scoring helps marketing and sales teams identify ready-to-buy individuals or organizations and the leads that need ongoing nurturing. Using scoring information, companies can drive marketing and sales productivity, and increase revenue more quickly.

There are many benefits when you include lead scoring in your marketing processes.

Effectively Drive ROI

- A 10% increase in lead quality can translate into a 40% increase in sales productivity.
- Focus on the right accounts, and the right contacts in the account, engaging only with warm leads.
- Scoring "sanity checks" pipeline estimates. By correlating scores to win percentages, you gain insight into whether a deal is likely to close.

Align Sales and Marketing

- Improves the sales and marketing relationship, as unqualified leads don't distract sales productivity allowing reps to focus on the best leads marketing provides.
- Creates common "lead" definition, simplifies follow-up processes and drives alignment.
- Creates foundation for marketing and sales service level agreements for lead follow-up.

Revenue Cycle

What is Lead Scoring and Why Do I Need It?

What Analysts Say

There are many independent and respected analysts who understand the importance of lead scoring. From their reports and interviews, you can find powerful definitions of the value that a lead scoring methodology brings to both marketing and sales departments.

"B2B marketers who emphasize lead volume over lead quality reduce sales efficiency, increase campaign costs, and fuel the gap between sales and marketing. To generate qualified demand, marketers need technology and processes that capture lead quality information; validate, score, and classify leads; 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."

Laura Ramos, Forrester Research, *Improving B2B Lead Management*

"A solid lead scoring approach not only helps to rank prospects against one another, but can smooth the lead flow and serve as the baseline for building a range of business rules that include ownership, role and activities. "

SiriusDecisions, *What's the Score*

What Companies Say

There are thousands of companies that are reaping the benefits of lead scoring today. You will find case studies from some of these companies throughout this guide that will help as you develop or improve your lead scoring model. Here are some comments from companies that excel in lead scoring.

"Lead scoring should be an indicator of sales-readiness – not of how much of a fan they are of [our company]. That goal requires a close collaboration between the sales and marketing teams to establish a threshold for when a lead is ready to be passed on to sales. Teamwork is also needed to assign scores for a prospect's actions – a process that begins before a lead scoring system is implemented."

Emily W. Salus, Senior Marketing Manager, CollabNet

"Sophisticated lead scoring rules help focus sales pipeline activity which drives customer-facing reps to engage in more targeted, relevant and meaningful conversations, helping us result in a 32% increase in qualified lead conversion rates and a 125% improvement in average lead conversion time."

Sally Lowery, Bronto Software

Lead Scoring Basics

Lead Scoring Basics

Explicit and Implicit Scoring

Companies need to consider two different kinds of information in their lead scoring: explicit and implicit. Explicit scoring is based on information the prospect tells you or otherwise directly identifiable information. Implicit scoring is based on information that you observe or infer about the prospect, such as their online behaviors.

Fusing the two scoring systems together, you build a true picture of value: the prospect's value to your business and your business's value.

How Marketo Does It – Behavioral and Demographic Scoring

At Marketo, all incoming leads are scored using a combination of demographics and lead source information, plus behavioral scores that include all activity before registration. Demographic attributes deliver a score between zero points and 30 points. From there, each different behavior is assigned a point value, from one point for a web page visited and email opened to 15 points for searching for "Marketo" on Google. Qualified leads with fewer than 65 points are called "Prospects" and receive further nurturing; people with over 65 points are called "Leads" and are sent to telesales for further qualification. Telesales prioritizes qualified, engaged, and educated leads.

Case Study
Ketera – Getting to Know You by Role and Company Size

Ketera – provider of the online Ketera Network business community - brings together over 100K buyers and 800K suppliers in a Freemium Marketplace. Ketera uses scoring integrated with web content delivery and nurturing all customized by role and company size in order to engage visitors and help with distribution and prioritization to the right sales team. Key scores include:

- Overall Lead Score
- Recent Visits Score
- Role Scores: Buyer and Supplier
- Company Scores: Enterprise / Medium / Small Business

Types of Lead Scoring

	Implicit	Explicit
Behaviors	Online body language	BANT data (Budget, Authority, Need, Timeline)
Demographics	Inferred geography, Data quality factors, etc.	Demographics, typically captured from form data or data appending

Lead Scoring Basics

Explicit Lead Scoring

Explicit lead scoring is based on observable or directly shared information, often collected via an online form or registration process. Demographic and firmographic attributes tell you how well the prospect compares against your ideal buyer profile, while BANT information can (sometimes) tell you where the prospect is in their buying process.

Demographic and Firmographic Lead Scoring
Demographic and firmographic scoring is based on information like job title, industry, company size, and annual revenue.

This type of lead scoring is critical because it tells you how interested you are in the potential prospect. The closer the prospect is to your ideal prospect profile, the better the fit with your solution and services, and the higher the score.

Some demographic or firmographic factors to consider:

- **Job Title / Role** – Is this prospect likely to resonate with our solution? Will he or she have access to budget?
- **Company size** – What is the size of a potential deal at this customer?
- **Industry** – Does this prospect's company tend to have a need for solutions like ours?

Of course, success with demographic scoring depends on having well defined "personas" for your ideal customer profile.

Data Appending

In some cases, you won't have all the information you need for demographic scoring. Here it can be useful to append the information to your database. Many services have match rates as high at 70%, with better results for public companies.

Another added benefit of using data appending services is that they allow you to shorten your online lead forms and landing pages, while still capturing all the information you need to qualify leads. If your lead forms captures eight fields today, shortening them to five fields can often increase lead form conversion percentages by 30% or more. This alone is often enough to justify the cost of data appending services.

Lead Scoring Basics

BANT

BANT is the acronym for Budget, Authority, Need, Timeline – common attributes used to determine sales-readiness.

Budget

Can your target actually afford to buy your product or service? How much is budgeted for this solution? Always keep in mind that different departments have different budgets.

Authority

Is the prospect a decision-maker? What is his or her title? Do they have power to allocate funds? Businesses have many different types of authority: influencers, decision-makers (the people who sign on the dotted line) and the eventual end users.

Need

Do they need your solution? More importantly, what is the compelling event driving the need? If, for example, your internal processes are performed manually and inefficiently, then you are losing your companies money. This is what drives need.

Timeline

When will the prospect be ready to buy? This ties back to the compelling event. For example, there could be a large event coming up where a solution needs to be in place, or it can be as simple as allocating budget by year-end.

As useful as explicit lead scoring can be, it relies primarily on the information the prospect shares with you – meaning it has its limitations as well (see *Common Lead Scoring Issues,* pg.38). That's why it's also important to use implicit information in your lead scoring.

Case Study

LI-COR Biosciences – Understanding Engagement Improves Sales Productivity

LI-COR Biosciences is engaged in the design, manufacture and sale of high-quality, innovative instruments, software, reagents, and integrated systems for biotechnology and environmental research. LI-COR Bioscience's lead scoring started with very basic measures, such as form fill out, web page visits, and email opens. As sales' dependence on scoring data has grown, LI-COR has built on that activity based scoring and now provides sales with product scores in eight major solution areas. LI-COR scores on very specific behaviors to increase the score for each solution area and also ties in nurturing for customized communications.

Increased visibility into prospect behavior has been critical for the sales team as the buying cycle for research equipment is on average six to nine months. Using Marketo Sales Insight to see account activity increasing most rapidly for specific solutions, sales is able to predict which contacts are actively pursuing a grant and require timely follow up.

Implicit Scoring

Implicit scoring most commonly consists of tracking your prospect's behaviors (e.g. their "online body language") to measure their level of interest in your products or solutions. It can also consist of inferring additional information about the prospect based on the quality of the data you have (the location of their IP address, etc.).

The Basics of Behavioral Scoring

Behavioral scoring identifies a prospect's readiness to buy. Leads who visit web pages, open emails, and respond to offers are showing high interest. Visitors to a product page are exhibiting better buying behavior than visitors to your careers page. See examples of behavioral scoring to the right.

But the type of activity is only one dimension of behavior. It does not identify your prospect's place in the buying cycle. When you dig deeper into the behaviors that are occurring, like in the second chart, you are going beyond behavior and identifying the behavioral importance. For example, you should score a prospect that clicks a link in an email about a product discount higher than one who clicks on an industry link, as the product link indicates buying behavior.

For more details on implicit scoring, see *Getting Started With Lead Scoring Basics* (pg.15) and *Advanced Scoring Strategies* (pg.28).

Basics of Behavioral Scoring

Activity	Score
Clicks link in email	+3
Completes form	+5
Visits product benefits page	+3
Visits any company web or blog page	+1

Behavioral Scoring with Importance

Activity	Score	Importance	Total Score
Clicks link in email about industry	+3	+1	4
Clicks link in email about company	+3	+5	8
Clicks link in email about specific product	+3	+10	13

CRM or Marketing Automation?

Sometimes marketers will try to utilize lead scoring inside their CRM system without the supplemental custom marketing tools like automation. This only works if you are:

- Only doing very basic scoring on demographics.
- A CRM administrator, or developer, who is comfortable customizing the application.
- Willing to spend extra time creating workflow to create and display your score.

Active vs. Latent buying behavior

Behavior is complex and multi-dimensional. You need systems to evaluate and value different kinds of behavior. The most important distinction lies between active vs. latent buying behavior. The benefits come from adjusting your scoring accordingly. Active buying behavior identifies "hot" leads based on activities that demonstrate sales-readiness and current interest. Latent buying behavior, on the other hand, involves lower engagement activity.

Understanding the difference is crucial. For example, imagine two similar prospects exhibiting different behaviors. One has downloaded an RFP, watched a demo and visited the pricing page - all very active buying behaviors. The other prospect has made several repeat visits to the same page over a longer period of time with no implicit interest in your product or service. While these prospects might both achieve the same overall engagement, one is active while the other is latent. When creating a lead scoring model it is important to ensure you are able to adjust your scoring to take these different buying behaviors into account.

These activities imply different levels of sales-readiness and require different follow-up.

In this example you can see the first lead, Crissy, is showing very active buying behavior, while the second lead, Jen, is exhibiting latent buying behavior.

Active and Latent

	Activity	Behavioral Points Earned
Lead 1: Crissy – Active		
Today	Download a sample RFP	10
Yesterday	Watched a demo	12
5 days ago	Visited a pricing page	10
10 days ago	Visited trade show booth	4
		36
Lead 2: Jen – Latent		
Last week	Downloaded a white paper	3
Last month	Downloaded a white paper	3
2 months ago	Checked link in email	2
3 months ago	Checked link in email	2
3 months ago	Checked link in email	2
3 months ago	Viewed 5 web pages	5
4 months ago	Downloaded a white paper	3
4 months ago	Registered for a webinar	2
4 months ago	Viewed 4 web pages	4
5 months ago	Attended a webinar	8
6 months ago	Registered for a webinar	2
		36

Data Quality and other Implicit Lead Scoring

Sometimes, the quality of prospect data tells you if they are likely to fit your ideal customer profile. Typically, data quality scoring rules are used to "take points away" in order to focus on prospects with good data quality.

Examples of data quality scoring can include decreasing a prospect's score if the email address comes from common email domains (gmail.com, yahoo.com, mac.com, hotmail.com, etc.); if the first or last name do not contain any vowels; or if the "inferred company" name based on the IP address maps to an ISP and not a corporate domain.

Finally, you can also increase or decrease a prospect's lead score based on the information you can infer from their IP about their geographic location. This is especially useful if you only operate in certain countries.

Focusing on the Data Score

A data score is a very simple type of lead scoring that only considers the completeness of fields in a CRM or marketing automation system, and is best used in conjunction with a more comprehensive lead scoring program. In this type of scoring, a lead would receive 100% if all key information is complete, and 50% if only half the data is available. This type of scoring can provide three boosts to a sales process:

1. Contacting leads with complete information improves the quality of communication.
2. You can scale your marketing efforts, as you know all their contact points: email, address phone, etc.
3. Profiles often reach completion when close to purchase and emphasize sales-readiness.

However, the data has one intrinsic flaw: it is easier to find data on public companies than private companies. Do you really want to leave your private company scoring data to chance?
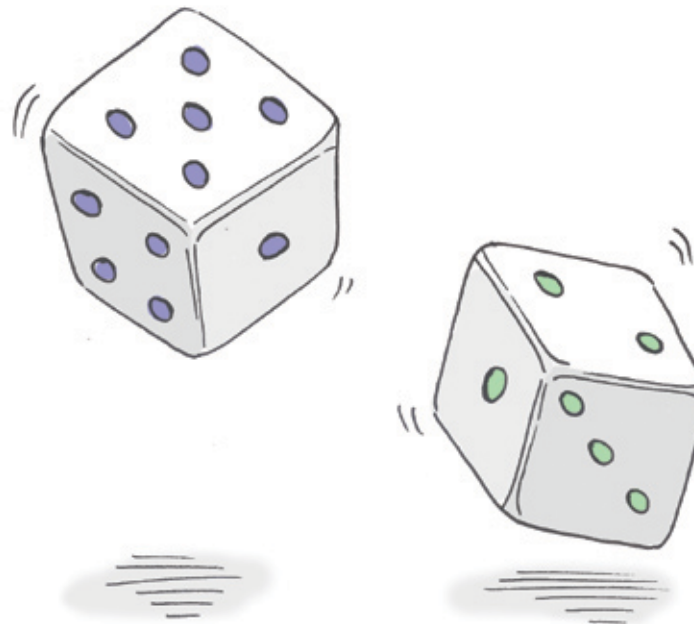
Case Study
Jigsaw – Understand and Expand

Jigsaw – a leading provider of business information and data services – utilizes their own data append services to simultaneously 1) keep forms short 2) feed their lead scoring model and 3) give sales reps more understanding of the prospect.
Key demographic criteria that is appended and scored includes:

• Industry
• Job Title
• Job Role
• Location
• Company Size
• Annual Revenue
• Phone Number

Once a prospect reaches a score threshold based on a combination of those demographics and engagement with Jigsaw (web content, physical event visit, email click through, etc.), the lead is passed to a sales rep for follow up. The sales rep has the option to expand reach within that account by using automation to send emails to more leads within that account. This enables an ongoing process – the scoring model continues to help prioritize demographics and activity for that expanded list of people receiving nurturing emails, alerting the rep automatically when a new lead reaches a scoring threshold where they too should receive a follow up call.

Getting Started With Lead Scoring

Getting Started With Lead Scoring

Lead Scoring Basics

Often the hardest part of lead scoring is getting started.
Not because it's complicated, or time-consuming, but because you need some knowledge to kick start your program. Now that you know why you should be doing it, this section will focus on how to get started with lead scoring, plus give you all the support and information you need to get it right from day one.

First, let's see where you are with your lead scoring system:

Do you have a scoring system in place?
a) No, but we're working on putting processes in place.
b) Yes, but it's a lot of manual work.
c) Yes, we have an automated scoring system.

Does your organization segment leads and hand them off to sales based on their propensity to buy?
a) No, all leads are treated the same.
b) Yes, all leads are categorized and passed to sales.
c) Yes, all leads are categorized, qualified and passed to sales only when their score reaches
   a specific threshold.

If you answered A or B to either of these questions, you should continue with this chapter.
If you answered C to both questions, you should move to .

Getting Started With Lead Scoring

Getting Started with Lead Scoring

Gather information
Start by getting together with your sales team to gather data that indicates your buyers' interest or sales-readiness.

Review the following:
- **Past deals and current opportunities**
- **Online activity log**: See what pages prospects visited and the sources, or referring sites.
- **Sales logs:** Find out past interactions with sales, and the activities and campaigns that touched the prospect before the purchase.

You can test your lead scoring by running reports of actual leads accepted by Sales and see if they mirror your high-quality lead definition. If not, then simply revisit the behaviors and demographics that did contribute.

Determine your ideal target
Use all relevant information, including demographic and behavioral scoring, to create your target buyer profile. Think about explicit and implicit attributes and assign points based on their relevance.

Align sales and marketing objectives
Your sales team must review and approve your information and your buyer personas. Focus on the most relevant and common findings and you will soon be able to:

- Align marketing and sales to create the profile of an ideal customer, and define what constitutes a sales-ready lead.

- Establish a lead methodology (e.g. using points, letter grades, or the terms "hot," "warm," and "cold").

- Determine a score threshold that will indicate a "sales-ready" lead.

- Assign lead scores according to explicit data such as demographic and BANT attributes.

When you meet with your sales team, start with simple demographic score ideas and ensure everyone contributes. The following worksheets will give you a starting point for identifying the demographics and behaviors that count in your business.

Selecting the score criteria
In the following four pages you will see a list of possible demographic and behavioral scores. This is to help you think of different scoring attributes that may be relevant to your organization, including those that will have a negative effect on scoring. Make copies of these pages for everyone who is going to help create the lead scoring model. Make sure there are some team members from sales and some from marketing. Have each person:

- Check off the boxes that they think should be included in the lead scoring model
- Next to each checked off score, mark whether the attribute is critical, important, influential, or negative.

Getting Started With Lead Scoring

50+ Explicit Scores to Consider

Potential individual-specific demographic scoring rules

- [ ] Title
- [ ] Role
- [ ] Purchasing authority
- [ ] Number of direct reports
- [ ] Level of manager (to whom do they report?)
- [ ] Years of experience
- [ ] Specialties
- [ ] Type of email used (Gmail, corporate, Yahoo)
- [ ] Years at current position
- [ ] Designations/Certifications
- [ ] Honors and awards received
- [ ] Social network participation
- [ ] Social network connections
- [ ] Social network influence
- [ ] Public recommendations
- [ ] Affiliations - groups and associations
- [ ] Career interests
- [ ] Personal interests
- [ ] Degrees received
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____

Potential company-specific demographic scoring rules

- [ ] Rankings/Stock Indexes: Fortune 500/Inc 500, etc
- [ ] Number of employees
- [ ] Company revenue
- [ ] Revenue growth (growing, declining, etc)
- [ ] Company financial viability
- [ ] Number of divisions
- [ ] Number of products sold (sku's)
- [ ] Location
  - [ ] City
  - [ ] State
  - [ ] Zip
  - [ ] Country
  - [ ] Phone area code
  - [ ] Headquarters or satellite
  - [ ] Location of branches
  - [ ] Size of branches
- [ ] Website traffic
- [ ] Website plug-ins
- [ ] Year founded
- [ ] Organizational structure (proprietorship, partnership, corporation)
- [ ] Geographic markets served
- [ ] Competitors
- [ ] Partners
- [ ] Fiscal year end
- [ ] Industry
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____

Relationship scoring rules

- [ ] Account type (Potential vs. Actual)
  - [ ] Customer
  - [ ] Partner
  - [ ] Competitor
  - [ ] Prospect
  - [ ] Investor
- [ ] Previous relationship
  - [ ] Ex-customer
  - [ ] Lost opportunity
- [ ] Product(s) purchased
- [ ] Complimentary technologies used (CRM, ESP, ERP, CMS, MRM, MA)
- [ ] Recycled count
- [ ] Lead source
  - [ ] Website
  - [ ] Sponsorship
  - [ ] PPC
  - [ ] Content syndication
  - [ ] Online ad
- [ ] Budget defined (Monthly, Quarterly, Annually)
- [ ] Timeframe (Project completion deadline)
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____

Did everyone in sales and marketing mark the same attributes? Discuss any that don't match and then compare to your reporting and buyer personas you have created.
Do the demographics match your personas and the data in your reports? If not, discuss these with the group.

Getting Started With Lead Scoring

200+ Behavior Based Scores to Consider (Implicit data)

- [ ] Online demo
  - [ ] Open
  - [ ] Opened demos for multiple products
  - [ ] Watched
  - [ ] Watched multiple times
  - [ ] Watched different demos
- [ ] Live demo
  - [ ] Scheduled discovery call
  - [ ] Participated in discovery call
  - [ ] Scheduled initial demo
  - [ ] Participated in initial demo
  - [ ] Scheduled follow-up demo
  - [ ] Participated in follow-up demo
- [ ] Free trial
  - [ ] Downloaded
  - [ ] Participated
- [ ] Free software
  - [ ] Downloaded
  - [ ] Utilized post download
  - [ ] Purchased or downloaded additional licenses
  - [ ] Multiple licenses being used at one time

- [ ] Application directory (Google Marketplace/Appexchange)
  - [ ] Integrated
  - [ ] Utilized post integration
- [ ] Phone call
  - [ ] Answered
  - [ ] Call lasted more than 2+ minutes
  - [ ] Call lasted more than 5+ minutes
  - [ ] Call lasted more than 15+ minutes
  - [ ] Called in (inbound call)
- [ ] Widget
  - [ ] Interacted with
  - [ ] Downloaded
  - [ ] Hosted a free version on their website
- [ ] Articles
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Clicked link inside
  - [ ] Downloaded
- [ ] Presentations
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Clicked link inside
  - [ ] Downloaded

- [ ] Blog posts
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Commented
  - [ ] Clicked link inside
  - [ ] Rated
  - [ ] Shared via social sharing button
- [ ] Press releases
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Clicked link inside
  - [ ] Download asset promoted inside
- [ ] Books/eBooks
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link inside
- [ ] Product data sheets
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link Inside
- [ ] Brochures
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link Inside

- [ ] Manuals
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link inside
- [ ] Reference guides
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link inside
- [ ] Workbooks
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link inside
- [ ] Case studies
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link inside
  - [ ] Reached out and did a reference with
- [ ] Emails
  - [ ] Opened
  - [ ] Opened multiple times
  - [ ] Clicked in
  - [ ] Clicked in multiple times

- [ ] RSS/XML feeds
  - [ ] Viewed
  - [ ] Subscribed
  - [ ] Subscribed to multiple
- [ ] Images
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
- [ ] Videos
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link inside
- [ ] Recorded webinars/ webcasts
  - [ ] Registered
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded
  - [ ] Clicked link inside
- [ ] Live webinars/webcasts
  - [ ] Registered for
  - [ ] Viewed
  - [ ] Commented during
  - [ ] Asked question during
  - [ ] Reviewed follow-up recording
  - [ ] Rated event

Getting Started With Lead Scoring

200+ Behavior Based Scores to Consider (continued)

- [ ] Livestreamed events
  - [ ] Registered for
  - [ ] Viewed
  - [ ] Commented during
  - [ ] Asked question during
  - [ ] Reviewed follow-up recording
  - [ ] Rated event

- [ ] Surveys
  - [ ] Visited
  - [ ] Completed
  - [ ] Viewed results
  - [ ] Participated in multiple surveys

- [ ] Tradeshow
  - [ ] Attended
  - [ ] Visited booth
  - [ ] Watched demo
  - [ ] Attended multiple tradeshows

- [ ] Roadshow/Seminar
  - [ ] Registered
  - [ ] Attended
  - [ ] Attended multiple events

- [ ] Microsites
  - [ ] Viewed
  - [ ] Shared via social sharing

- [ ] Web pages
  - [ ] Viewed landing page
  - [ ] Fills out form on landing page
  - [ ] Uses instant chat functionality
  - [ ] Uses request a call back functionality
  - [ ] Viewed webpage- any
  - [ ] Viewed webpage- product specific
  - [ ] Viewed webpage- pricing
  - [ ] Viewed webpage- customer pages or reviews
  - [ ] Viewed multiple webpages
  - [ ] Viewed multiple webpages in one week
  - [ ] Shared via social sharing
  - [ ] Browser used

- [ ] Search Activity
  - [ ] Searches for company name
  - [ ] Searches for product name
  - [ ] Searches other (scored on term)
  - [ ] Search engine used

- [ ] Online courses
  - [ ] Viewed information on
  - [ ] Registered for
  - [ ] Completed
  - [ ] Registered for multiple
  - [ ] Completed multiple

- [ ] Certifications
  - [ ] Viewed information on
  - [ ] Registered for
  - [ ] Received certification
  - [ ] Received multiple certifications

- [ ] Community
  - [ ] Submitted an idea
  - [ ] Submitted multiple ideas
  - [ ] Read about best practices
  - [ ] Read about ideas
  - [ ] Visit Knowledge base
  - [ ] Read about product information
  - [ ] Asked a question
  - [ ] Asked multiple questions
  - [ ] Answered a question
  - [ ] Answered multiple questions
  - [ ] Shared a best practice
  - [ ] Shared multiple best practices

- [ ] Podcasts
  - [ ] Listened
  - [ ] Listened multiple times
  - [ ] Downloaded
  - [ ] Subscribed

- [ ] Videocasts
  - [ ] Viewed
  - [ ] Viewed multiple times
  - [ ] Downloaded

How does this compare with your reporting? Do the behaviors match the data? If not, discuss these with the group.

Additional Behaviors
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Getting Started With Lead Scoring

Bad Behaviors (Implicit data)

While most activities give positive scores, there are actions that do the opposite. Activities that deserve a negative score may include:

- [ ] Email unsubscribe
- [ ] Non-product web visit
  - [ ] Career page
  - [ ] Press room
  - [ ] Investor page
  - [ ] Leadership page
- [ ] No website activity for a long period of time
- [ ] Change in purchase timeframe
- [ ] No progression in buying cycle
- [ ] Added to "Do Not Call" list
- [ ] Spam complaint
- [ ] Negative social media comment
- [ ] Declines contract/warranty renewal

Don't ignore negative scoring attributes when building your model. Use them to your advantage in conjunction with other scoring methods.

Getting Started With Lead Scoring

Creating an Explicit Scoring Model

Now that everyone on the team has idenfied the critical, imporant, and influencing factors that should affect your lead score, you must create the lead score itself. First, compare the suggestions by each of the team members. Does everyone agree? Differences should be discussed so that the best scoring model can be created. You will want to make a list of the agreed factors, and assign a score to each.

Scoring Demographics – Our Example

Attribute	Value	Scores
Critical: (10-15 points)		
Title	Director or VP	+12
Industry	Healthcare, Financial, or High Tech Industry	+10
Purchase Authority	Decision Maker	+15
Company Revenue	Greater than 500 Million	+10
Product	Using competitive solution	+15
Timeline	Identified, less than 3 months	+12
Important: (5-9 points)		
Location	US	+8
Company Revenue	100 Million to 499 Million	+8
Title	Manager	+7
Timeline	Identified, more than 3 months, less than 8 months	+5
Influencing: (1-4 points)		
Location	English Speaking, Non US	+4
Timeline	Identified, more than 8 months	+3
Title	Analyst, Coordinator, or Specialist	+4
Company Revenue	Less than 100 million	+1
Negative:		
Title	Student	-15
Title	Consultant	-5
Industry	Services	-6
Industry	ecommerce	-10
Location	Non English Speaking Country	-10

Getting Started With Lead Scoring

Your Turn

Insert the demographic attributes important to your organization in the space to the right. Mark the appropriate score next to the attribute.

Scoring Demographics – Your Turn

Attribute	Value	Scores
Critical: (10-15 points)		

Getting Started With Lead Scoring

Creating an Implicit Scoring Model

Here is our sample for scoring on behaviors. You will notice we identified specific active buying behaviors as critical, and more latent behaviors, like visiting a general web page, as influencing.

Scoring Behaviors – Our Example

Behavior	Scores
Critical: (10-15 points)	
Visits pricing pages	+10
Downloads Marketo reviews	+12
Timeline < 3 months	+15
Watches demos	+5 overview demo
	+10 detailed demo
Important: (5-9 points)	
Downloads buyers guides	+8
Downloads data sheets	+8
Searches for "Marketo"	+8
Heavy web activity	+5
Influencing: (1-4 points)	
Watches any webinar	+4
Downloads any white paper	+2
Watches any video	+2
Visits any web page	+1
Bad Behavior: (negative points)	
Email unsubscribe	-10
No website activity for one month	-5
Added to "Do Not Call" list	-5
Negative social media comment	-4
Visits career page	-2
Visits investor page	-2

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Getting Started With Lead Scoring

Your Turn

Insert the scoring behaviors for your organization in the space below. Mark the appropriate score next to the attribute.

Scoring Behaviors – Our Example

Behavior	Scores
Critical: (10-15 points)	
Important: (5-9 points)	
Influencing: (1-4 points)	
Bad Behavior: (negative points)	

Getting Started With Lead Scoring

Weighting Behavior vs. Demographics in your Scoring Model

While you will list the demographic and behavioral scores separately, you will add them together in your scoring model to make your total lead score. Review the scores to make sure that for a typical sales-ready lead the demographic score makes up no more than half of the total score. This is important, as a lead that does not have any behavior, active or latent, may not be ready for sales interaction.

Identifying Sales-ready Leads

Now that you've created a lead scoring model, you will need to determine the threshold – the point where you hand over a prospect to sales. How is this threshold established? Start by looking at past opportunities. At what point does your typical lead appear sales-ready?
Do you only want to pass 'A' leads over to your reps?

You will want to review your scores to make sure that those you would want to send to sales actually meet the minimum score to be sales-qualified. This will often occur if basic demographics are close to target and the lead has participated in one or two critical behaviors. This is very important because if you send too many leads to sales they may use their time inefficiently, and if you send too few leads the reps will not be able to sustain their pipeline. Refine the scoring until the appropriate leads are being sent to sales.

What happens if a lead doesn't reach the threshold? Put them into a nurturing track until they show sales-readiness with implicit behavior.

Identifying Sales-ready Leads

Most concur it's important for sales and marketing to agree on which leads should be passed from marketing to sales and which should stay in the nurturing queue. To make sure the two teams are in agreement it often helps to create a chart, like the one below. In the example you can see how we use demographic and behavior scores to decide which leads will be sent to sales.

Which leads should go to sales?

		Behavior Score			
		50•	24-50	0-25	0
		1	2	3	4
Demographic Score	50+	A			
	24-50	B			
	0-25	C			
	0	D			

Pre-deployment optimization

You need to test your scoring system on existing pipeline leads and opportunities before you launch it. Here's how to set up your own test bed:

• Take a random sample of records in the company's CRM system (open opportunities, closed lost, etc.).
• Examine each contact's demographic characteristics and activity records.
• Assign each record a score based on the new lead scoring criteria.
• Examine the percentage of your sample that would qualify as a sales lead.

If your ideal prospect is a marketing director at a Fortune 500 company who attended a product-specific webinar, then a combination of those attributes should equal, or exceed, the threshold-point barrier to qualify them as sales-ready.

Post-deployment optimization

As soon as you start seeing results you should be revising your scoring and associated processes. You must optimize your lead scoring for the changing market dynamics, new products, etc. Holding regular meetings with marketing and sales to review and update the most accurate scores is a prerequisite.

• Review scores of won and lost opportunities. Did your top prospects have the top scores?
• Look closely at high scoring leads that don't turn into opportunities. What can you do to improve scoring to prevent the wrong leads coming through with a top priority score from marketing?
• Look at demographic segment scores for region, title, and company to see if scores are improperly adjusted.
• Look at online behaviors to ensure actions taken by your best leads are properly scored.

Regular conversation allows marketing and sales to analyze and adapt the lead scoring system based on what they've learned and helps develop a shared idea of what needs to be done for improvement. For more on this see "The Feedback Loop" in the next section.

Allowing sales to control the score

When a sales rep disagrees with a lead score, and believes it is not sales-ready, it may cause the lead to be ignored, or placed into a static stage. To prevent this you should give your sales reps the opportunity to alter the score, allowing them to put the lead in the proper stage. If too many leads are coming back to marketing, you know it's time to update the scores.

When you give your sales reps the opportunity to recycle leads and alter scores, then you can monitor and tweak scoring weights. If too many leads are coming back to marketing, then changing the score threshold, or score values, becomes an option.

Part Four

Advanced Scoring Strategies

Product Scoring

Until now, we have looked at how to measure a lead's general interest in your company. But what if we want to score leads for multiple, distinct products?

Company X sells phones and phone headsets to the North American market. Let's assume they sell only one kind of headset and one kind of phone, and there is one customer profile for both products.

With two lead scores – one for each product – Company X's demand generation team gathers deeper insight: a sales manager can, for example, assign leads to a specific sales rep who can follow up – with relative certainty – that there is purchase intent for the product.

General behavioral scoring measures interest in your company, but product scores allow you to measure interest in what you're actually selling.

Product scoring has the potential to become very complex. We don't have to necessarily measure interest, e.g., for each stock keeping unit (SKU) separately. But most sophisticated marketing automation systems will allow you to do this and assess relative interest in a specific product, product line, or SKU through product scoring.

> **How Marketo does Product Scoring**
>
> Marketo's Revenue Performance Management suite consists of three core products: Marketo Lead Management, Marketo Sales Insight and Revenue Cycle Analytics. By having a separate score for each product, Marketo can adjust the message the customer or prospect is receiving.

Advanced Scoring Strategies
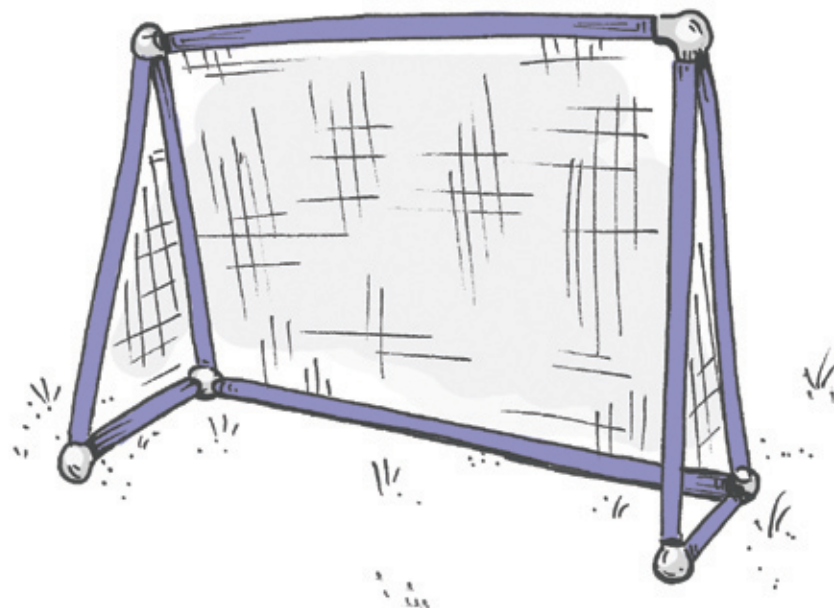
Account Scoring

B2B buying decisions are becoming more complex. Procurement processes are designed to minimize the risk of big purchase decisions. The number of people involved in each committee depends on the size of the buying organization as well as the cost and importance of the purchase. Amongst tech companies, for example, purchases valued at $100,000 - $1M, are typically made up of four to eight people (according to MarketingSherpa and TechWeb's Business Technology Buyer Survey, 2009). The buying unit gets bigger as the price goes up.

Expect every individual on a buying committee to score points as normal, though in some scenarios, no individual will pass the sales-ready threshold, but the sum of their behavior tells a very different story. A flurry of activity from one company is a solid buying sign.

An account score groups the individuals involved in a buying process and provides a group view of readiness to buy. You can use a sum, an average or even a weighted average of individual scores, until the group reaches sales-ready status.

Effective account scoring must determine which individuals belong in the same account. You can group by accounts in your CRM system, or use sophisticated marketing automation systems, to infer connections based on IP addresses and company names.

Score Degradation

Setting boundaries for your prospects' scores helps manage your marketing pipeline inventory. For example, you may want to score early awareness behavior from 0 – 30; introduce a new range of 30-70 as the prospect company starts to explore and commit to change; and a 70-100 range as they move to conversion. You need to offset the natural growth in points that can accumulate from non-active buying behavior.

Score degradation, often called score decay or negative scoring, reduces over-inflated scores or brings down scores as buyer intent changes (e.g. moving out of active buying mode).

You can introduce a decay mechanism with a reoccurring score reduction, either as a simple subtraction, or a percentage reduction.

Another boundary-setting tactic is a score cap. In this scenario, a lead score cannot grow above a certain point unless certain criteria are met (e.g downloaded a certain asset, or interacted with a sales rep).

Demographic scores can change with new information to qualify or disqualify the lead. Such scores usually rely on explicit data, such as job title, but can be set back by new behavioral data. If a lead makes repeated visits to your careers page, they are indicating a change of profile that needs a lower score.

Case Study
QlikTech – Global Scoring

QlikTech – provider of a powerful, accessible business intelligence solution enables organizations to make better and faster decisions – operates around the globe, with a focus in 13 key regions. To roll out an effective lead scoring program globally, QlikTech started with a simple global corporate scoring model first and then enabled each region to modify local scoring to reflect their specific requirements, programs and language.

Scoring at QlikTech includes rules at the global level, at the regional level and at the product level to track downloads. These rules all contribute to a lead's score depending on their actions.

For QlikTech, scoring is an iterative process of improvement between Sales and Marketing as well as between Corporate and Regional Managers. Ongoing reviews help ensure scores are continually adjusted and refined so Sales is getting the right quantity and quality of qualified leads.

Advanced Scoring Strategies

The Feedback Loop

Lead scoring methodologies, especially when new, are an imperfect science. You meet with sales, build common definitions, and assign scores based on your understanding of the buying process.

It is the feedback loop that turns guesswork into accurate predictions of sales-readiness. Don't undervalue simple, ad-hoc discussions with the sales reps that receive the first qualified leads. Their feedback allows you to measure insight against the scores and interesting CRM information. For example, at Marketo, a discussion with the telequalification team led to score reductions for careers page visitors to screen out job applicants.

A structured check-up process is another way to assess your lead scoring campaign, examine your complete lead database and segments as well as individual leads.

The Feedback Loop - How Marketo Does It

Campaign Name	Number of Unique Leads Touched	Number of Unique Leads Touched (Converted to Opportunity)	Campaign Member to Opportunity Conversion Ratio
Visits RCA Pricing Page	128	45	35.2%
Visits MSI Pricing Page	279	95	34.1%
Timeline < 3mo	242	71	29.3%
Web Visits - Reviews Page	953	201	21.1%
Web Visits - Pricing	4137	836	20.2%
Watches RCA Demo	748	141	18.9%
Watches Sales Insight Demo	1653	302	18.3%
Download Lead Management datasheet	849	154	18.1%
Downloaded IDC Vendor Spotlight	352	59	16.8%
Web Visits - FreeTrial	1763	288	16.3%
Download Sales Insight datasheet	627	102	16.3%
Searches for Marketo	4814	749	15.6%
Timeline 3-6mo	173	26	15.0%
Download Marketing Automation Buyers K	407	61	15.0%
Downloaded Raab Guide - Marketo Vendor	458	63	13.8%
Downloaded IDC Rev Cycle doc	446	59	13.2%
Heavy Recent Web Activity	10435	1193	11.4%
Downloaded IDC workbook	952	93	9.8%

Advanced Scoring Strategies

Lead Scoring Check-up Process

Schedule check-up processes
at least quarterly.

• Take stock of your database scores.
How many leads have scores between
0 – 10, 10 – 20, 90 – 100, etc. Where do
the majority of your leads lie? Do outliers
with very large scores indicate scoring
methodology errors? Is a scoring decay
mechanism in place?
• Do you have new pieces of collateral and
are they being scored properly? Remember
that significant changes, such as a website
redesign, change your marketing collateral
ecosystem – meaning your scoring may need
to be reviewed.
• Build a list of new opportunities created
since the last check-up. Which online
behaviors were most correlated with
moving to the opportunity stage? Which
content assets performed best? A marketing
automation system that integrates
seamlessly with your CRM can deliver this
information for you (see next page).
• Evaluate accuracy of BANT information
to overcome the inherent weakness
of self-reported information. Use data
from qualified sales leads and actual
sales to compare actual vs. self-reported
BANT figures.

• Build a list of disqualified sales leads
and note their favored assets for meaningful
differences with the opportunities list.
• Understand relative importance of implicit
vs. explicit indicators. Marketers often
overestimate the importance of latent
behaviors (e.g. downloading a new
white paper).
• Using your customer list, focusing on the
latest wins of your target market, evaluate
their demographic scores against the
qualification threshold. If they fall below it
then you need to adjust both your positive
and negative scoring campaigns.
• Assess who in the buying organization
was pivotal to the closed deal. A common
mistake, outlined by SiriusDecisions in their
paper, *When Good Lead Scoring Models
Go Bad*, is to overestimate the C-suite's
influence over buying decisions.
• Make changes and capture adjustments
in the scoring campaigns. Sophisticated
marketing automation platforms – through
catch-up campaigns – make it possible
for you to retroactively score leads with
new methodology and create a potentially
massive shift in lead position.

How Marketo Does It

Marketo's demand gen team
reviews its own lead scoring
rules on a regular basis.
In addition to talking with sales,
we evaluate our lead scoring
campaigns against their specific
ability to predict the creation
of a prospect opportunity.
The metric, Campaign Member
to Opportunity Conversion
Ratio, is key in deciding which
online behaviors are truly
indicative of active buying
behavior, and which behaviors
we scored more heavily after
one of our scoring reviews.

Example: New Opportunities This Quarter – Interaction with our Online Assets

Asset	% of Opportunities
Pricing Details Page	95
Contact Us Page	91
Case Study + Contact Us Page	89
Pricing Page	87
State of the Industry - Analyst Report	77
Case Study	33
Webinar	15
Careers Page	12

Advanced Scoring - Additional Considerations

Remember that buying behavior will never be 100% predictable. Behavior will depend on factors of size, industry, etc. Public companies, enterprises, and mid-market, all have different buying approaches. A well-segmented database provides more stable, predictive models.

In an established market, buyer familiarity, budgets and buying processes are more likely to be defined, making scoring easier.

The SiriusDecisions Demand Spectrum to the right sheds some light on how demand type impacts meaningful BANT collection: do not add BANT variables to scoring unless you know it's relevant.

SiriusDecisions Demand Spectrum

Demand Type	Key Characteristics	Key Requirements
New Concept	Disruptive product/services	Market Leadership
	No budgetary line item	
	Requires issue creation	
New Paradigm	Retools existing process	Process/Solution Change
	Solves current problem better	
	Replaces current line item	
Established Market	Necessary product/service	Competitive Positioning
	Highly contested market	
	Trying to steal market share	

SiriusDecisions Brief, What's the Score

Part Five

Lead Lifecycle Management

Lead Lifecycle Management

Lead Lifecycle Management

As you begin to develop and improve your lead scoring, it's important to consider your overall revenue cycle. Your revenue cycle, traditionally called a "funnel", starts with your demand generation programs, and ends with a closed deal and new customer. The number of stages between these points depends on your internal marketing and sales processes.

Revenue Cycle Management

Considering your new lead scoring system's place in your revenue cycle will help you see the big picture and clearly show you if your process needs to be more robust to cover additional stages of your revenue cycle, beyond its main "when to pass a new lead to sales" purpose.

For example, it's easy enough to draw a simple representation of your current revenue cycle. Here, anonymous visitors immediately become leads, then opportunities, and ultimately customers.
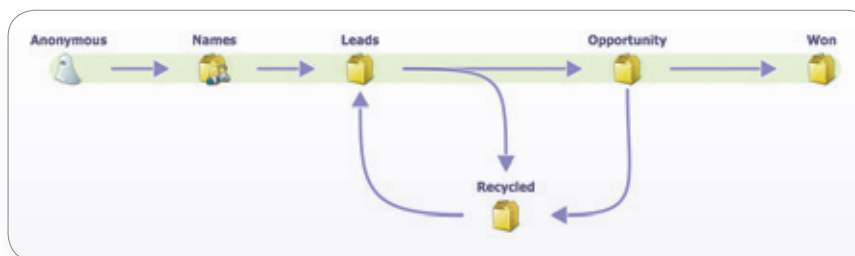
Unfortunately this revenue cycle, although simple, leaves a lot to be desired. It passes every new unqualified name to sales. So what happens to the leads that do not become opportunities? How many opportunities are lost if they simply drop out of your process? These leads should stay alive, as they could resurface one day with the budget and executive support they originally lacked.

No Lead Left Behind

The example above ignores an important rule of revenue cycle management: no lead left behind. Leads should never reach a dead end in your revenue cycle. Below is a different example that turns the philosophy into action.

In the new model, a new stage titled "Names", holds incoming prospects as they enter your revenue cycle. As you may only wish to push some of them straight to sales, but for the rest you can use tactics like email nurturing to further engage with them and use your lead scoring system to decide when they become sales-ready.

MarketSource – Revenue Cycle Model and Sales/Marketing Alignment

MarketSource, a leading provider of sales and marketing services, uses a revenue cycle model to help marketing and sales to work together for execution and process improvements. The model maps lead stages, velocity and blockages and the reporting helps define lead scores for movement between stages.

John Ledoux, Revenue Engineer for The Pedowitz Group, who manages the lead to revenue process says: "The Revenue Cycle Model provides a microscope into my marketing. If we see that leads are getting stuck at the Marketing Qualified Lead stage, then we need to review our nurturing programs to ensure we are communicating effectively to move prospects to the next stage. Likewise, if we are seeing too many disqualified leads at the Sales Accepted Lead stage, we are able to adjust our scoring and our process accordingly."

Lead Lifecycle Management

Sales Accepted Leads

When a salesperson receives a lead they must decide whether to promote the lead to opportunity or recycle it back to marketing. The question is simple but crucial: is the prospect ready to enter a buying cycle? If they are not ready for sales, the lead will be pushed into the "Recycled" stage.

Recycled Leads

Recycled doesn't mean the lead has reached the end of the road though, instead it represents another holding stage, much like "Names". As people enter Recycled, their lead score can be pushed back down, either to zero, or by a relative amount determined by how high their score reached before recycling. Now your lead scoring rules kick in again. If a recycled lead gathers a high enough score they will be moved backed to sales for qualification once again.

Now you can see the many roles of lead scoring throughout your revenue cycle.

Setting Lead Follow-up SLAs

Now that you have your revenue cycle mapped out, and have a good idea how to implement your scoring rules, it's time to consider how you can track sales as they follow up with newly scored and prioritized leads.
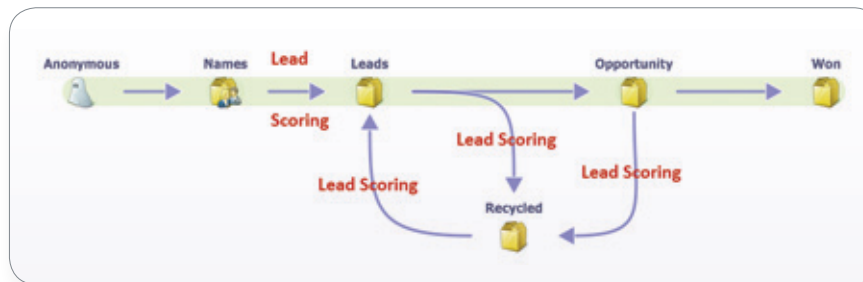
The best way to ensure speedy sales follow-up is an up-front consensus between sales and marketing on a reasonable Service Level Agreement (SLA). An SLA establishes the time limit for task completion and will be different for every company. Companies with large call centers may have an SLA measured in minutes, but others may find two weeks is perfectly reasonable. It may take a little negotiation, but marketing's incentives should align with the sales managers: prompt follow-up translates into more deals in the pipeline.

Two or more SLAs for each lead is not uncommon: the first SLA focuses on "touching" the lead, through phone, email or face-to-face, and the second SLA looks at when a lead should either become a legitimate or recycled opportunity. If your qualification process has several steps, you may wish to set SLAs for each phase, to ensure accurate flow.

Following up on SLAs

What happens if your agreed SLAs are not met? You need a plan to secure the successful adoption of your new process. One common tactic is to raise the visibility of leads that miss their SLAs. Use missed SLA alert emails to notify reps and sales managers of a hot individual lead now cooling off. It is a great method for updating salespeople who travel or don't log into the CRM frequently.

Prevention is better than a cure. Send a note to the lead owner when the SLA is in danger of being missed. If the SLA is missed, a further alert email can be sent to the rep and their manager. Many companies will issue a third communication to the senior directors and executives if the SLA is missed again.

Lead Lifecycle Management

Labeling Scores For Sales Action

Often companies create an ideal "hot" lead score and share it with sales reps. It can cause problems if the reps have no idea of what the score represents. Does a score of 100 mean a hot lead or a cold lead? Displaying the score in a visual way often overcomes this problem.

Using grading systems (A, B, C, D), words like hot, warm, cold, or visual cues like traffic lights (green, yellow, red), tells sales rep in one glance whether the lead is sales-ready. The only element missing is how the lead has been created. You can also add urgency to your visuals.

Urgency tells you how fast a lead's score has grown. It is often based on the speed of which online behaviors are scored. At Marketo we create stars for score quality and flames for urgency.

In addition to urgency and quality, sales reps benefit from seeing how the score was created. Beware of giving the rep just a long list of activities - they only want to see the highlights, the interesting moments, and the key behaviors that indicate a lead is reaching sales-readiness.

In this screenshot, interesting moments are highlighted with tabs to dig into the behavior in more detail.

Common Lead Scoring Issues

Common Lead Scoring Issues

Common Lead Scoring Issues

Lead scoring models are sometimes hampered by logical or structural missteps. The process can be difficult and, without preparation, may lead to less accurate scores. Common pitfalls that you may run into include: asking for BANT information in forms, poor data quality, scoring job titles incorrectly, and thinking that selling to bigger companies is better. You need to know what to avoid when you create your lead scoring model.

The problems with BANT

BANT helps identify a prospect who is in buying mode, especially for B2B companies, but when we ask BANT information in forms we may receive inaccurate information.

There are many reasons why people can't, or won't, answer BANT questions accurately. Prospects may answer incorrectly because:
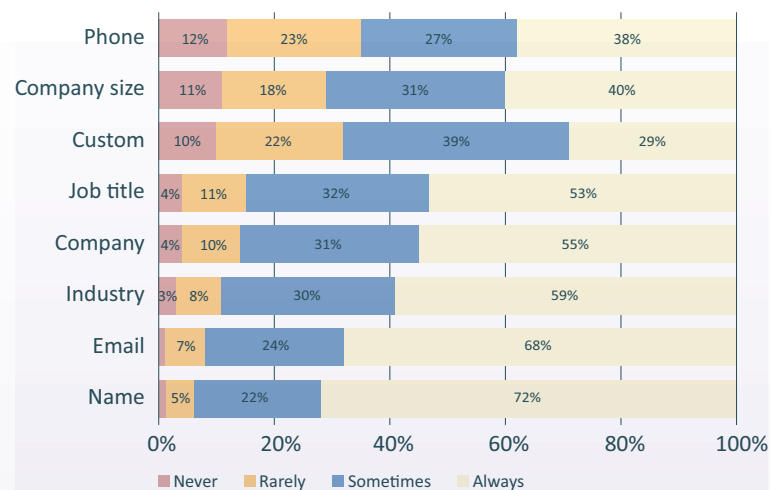
- They are not the decision-maker and do not know.
- They are too early in the buying process.
- They work with changing timeline or budget priorities.
- They would rather avoid being inundated with sales calls or emails.

Poor quality of self-entered information

A prospect will often choose to give inaccurate information even if they have all the right answers.

Look at the MarketingSherpa Research chart and you'll see the phone field is most unreliable. Prospects just don't want to be contacted before they are ready. The best way to determine readiness is tracking their online behavior.

Do Tech Buyers Provide Accurate Information During Registration?

	Never	Rarely	Sometimes	Always
Phone	12%	23%	27%	38%
Company size	11%	18%	31%	40%
Custom	10%	22%	39%	29%
Job title	4%	11%	32%	53%
Company	4%	10%	31%	55%
Industry	3%	8%	30%	59%
Email		7%	24%	68%
Name		5%	22%	72%

MarketingSherpa and KnowledgeStorm, Connecting through Content Phase 111

Common Lead Scoring Issues

Steps to Improving Data Capture with Forms

Make sure your forms are short and concise. Design each element (headers and labels, checkboxes, dropdowns, instructions and buttons) with size and typography in mind, as well as the questions and sequence.

Consider what you are asking in your registration. Someone registering for a webinar will be more likely to provide a valid email address in order to receive the access instructions.

You can also augment your form data with third party information. Use other data sources to fill in the gaps, like phone number and company size.

Another useful technique is progressive profiling, which asks a few new questions every time the prospect requests information from your website to build out a profile. One benefit is the ongoing elimination of data inaccuracies when you pre-populate forms with existing data that a prospect can accept, correct or update.

Progressive Profiling

Form on first visit

Form on 2nd visit

Case Study
Mediative – Progressive Profiling and Search Scoring

Mediative – a digital advertising and marketing solutions provider for agencies and advertisers – utilizes progressive profiling to build robust buyer personas in their lead management process. Asking for small bits of information at a time, it takes approximately two engagements to capture the information Mediative is looking for via progressive profiling forms. Reaching targets within specific industries is critical – so industry is requested on the initial form fill, and job title is asked in the second engagement. Mediative provides prospects with value during each touch to encourage this exchange of information. In addition, Mediative utilizes Inferred Location to better score leads located in their target market.

Mediative also tracks and scores leads based on their behaviors such as specific web page visits, time spent on the website, frequency of visits, and specific content consumed. Mediative also scores on "pre-site" behavior, utilizing Marketo Original Search Phrase fields to score based on the search term entered in the search engine before the lead visits the website. Elements scored include:

Demographics:
• Industry + Business Focus (B2C or B2B)
• Inferred Country / States

Behaviors:
• Specific pages + Frequency
• Original Search Phrase

Common Lead Scoring Issues

Do you really sell to the CEO?

According to SiriusDecisions, a common problem with demographic scoring is the obsession with senior job titles. Such thinking might lead us to create the following scoring model: 1 point for interns, 2 points for coordinators, 5 points for managers, 10 points for directors and 20 points for VPs and CEOs.

At first glance the system sounds reasonable, but it is often a poor reflection of buying behavior. The CEO rarely spends time looking at departmental-level products and services. You need a true understanding of who buys your product. If a director is the likely champion and decision-maker, then award him or her top points. If the coordinator is the main researcher then change your score accordingly. You must understand the group behavior to score your leads properly.

Is a bigger company always better?

SiriusDecisions also points out, in the absence of persona based scoring companies often assume bigger companies, with more employees, are the best target. You shouldn't assume a few large companies deserve the best scores before you analyze the value potential from your midmarket prospects.

Another common error is grouping data into oversized bands. High scores are often given to every employee of a large company. A tight band focused on the Fortune 500 might work, but one that lumps in every company with over 1,000 employees is too broad. There are simply too many companies of that size to allow accurate scoring based on common characteristics.

41
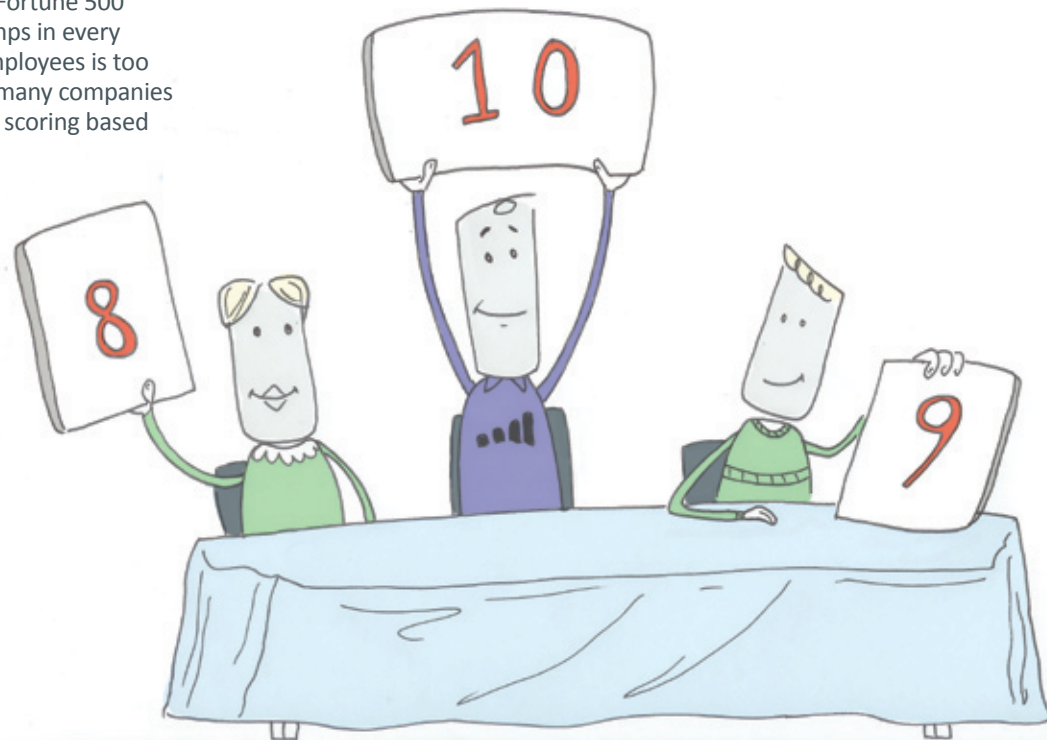
Part Seven

Content Marketing, Social Media and Lead Scoring

Content Marketing, Social Media and Lead Scoring

Content Marketing and Lead Scoring

You need to ensure that lead scoring integrates into your broader marketing efforts. Today's progressive B2B marketing teams are investing a growing amount of time and resources into content marketing and social media efforts.

Both content marketing and social media are already essential tools but lead scoring boosts their power, transforming seemingly random actions into defined, sales-ready buying patterns.

What is Content Marketing?

Content Marketing is the creation and sharing of content for the purpose of promoting a product or service. Though the focus of this content may not specifically be about your organization or its offerings, often assets created for the purpose of content marketing include a mix of problem-specific information and thought leadership.

Point Attribution for Content

Content	Less Point Attribution	More Point Attribution
Webinar	Registering for the webinar	Watching the webinar
Demo	Viewing the demo web page	Watching the demo
eBook	Downloading the eBook	Clicking a link from inside the eBook
Email	Opening the email	Forwarding the email to a friend
Widget	Interacting with the widget	Putting the widget on the prospect's website

Content Marketing, Social Media and Lead Scoring

Content Marketing and Lead Scoring
Many marketers are investing time and resources into content marketing for a range of benefits that affect lead scoring.

- **Risk Mitigation** – Develop trust with information that will help buyers make good decisions and reduce both organizational and personal risk.
- **Lead Generation** – Drive traffic to your website and capture leads through forms. Effective offline content includes trade show collateral and direct mail pieces.
- **Lead Nurturing** – Develop leads with educational and informative content as part of a robust lead nurturing program.

Content that Can be Used in Lead Scoring:
Scoring content should not be restricted to a particular visit, it should also focus on how the content is consumed. It's an immensely valuable way to understand buyer behavior. Here are some examples:

- Articles
- Blog posts
- Press releases
- Product data sheets
- Books/eBooks
- Brochures/manuals
- Reference guides
- Case studies
- Resource libraries
- Email
- RSS/XML feeds
- Direct mail pieces
- Images
- Videos
- Information guides
- Webinars/Webcasts
- White papers
- Online courses
- Widgets
- Podcasts/videocasts
- Workbooks
- Microsites/Web pages
- Trade show collateral

Case Study
SlideRocket – Free Trial and Application Integration in the Cloud

SlideRocket reinvents presentations by bringing big ideas to life, engaging audiences and driving business. SlideRocket generates a huge volume of interest in their online presentation tool by offering a free trial. SlideRocket utilizes lead scoring to help prioritize who sales should follow up with based on engagement with the online presentation tool as well as their fit to the target SlideRocket buyer profile.

Integrating data from the SlideRocket application into CRM and Marketing Automation solutions, here are some of the activities that are tracked and scored by frequency:

- Login to SlideRocket
- Create an online presentation
- Share an online presentation with others
- Analytics and Reporting Capabilities viewed

In addition, SlideRocket customizes email follow-ups to align with the visitor's interest in each of the above areas. For example, if the visitor is keenly interested in online reporting capabilities, SlideRocket provides more tips and best practices to make it easy to track who is watching online presentations and for how long.

Content Marketing, Social Media and Lead Scoring

Social Media and Lead Scoring

You should factor social interaction into your lead scoring methodology. These outside interactions are often valid signs of sales-ready behavior. For example, if a prospect tweets out that he or she is looking for opinions on your product, the activity should trigger an increase in lead score and create a sales-ready lead alert. If a prospect starts following the key influencers in your space, perhaps it a sign they are moving closer to a buying phase, increasing their score.

In order to score properly on social media interactions you must:

• Use a social media monitoring tool – there are free tools like Salesforce for Twitter, or more comprehensive options like Visible Technologies or Radian6. Another option is manual data capture for entry into your marketing automation system.
• Pass data from the monitoring tool into the CRM or marketing automation system.
• Understand how interactions in social media affect the buying process and customer lifecycle.

Once you've captured social interactions you can score against them. Like other behaviors, social media interactions should not be scored equally. Someone who tweets on industry issues can't compare to someone who posts on your Facebook Fan Page that they're about to buy your product.

What is a social media monitoring tool?

Social media monitoring tools, like Visible Technologies or Radian6, use programs that visit websites and capture information on pages using tools called spiders or robots. Instead of capturing search results like they do for search engines like Google, they are compiling information on online conversations to provide analyses and reports by product or brand.

Case Study
The Pedowitz Group – Social Media and Opportunity Scoring

The Pedowitz Group, a leading demand generation agency, compliments their marketing automation lead scoring with social media scores, keyword search scores and key digital behaviors for lead scoring. TPG scoring includes:

• Twitter Score
• Facebook Score
• Sweet Score (their own social media scoring product)
• Hive Score (a social activity score based on group of keywords)

Additionally, TPG scores specific high value web pages, content visits and social media activity. One unique aspect to their scoring strategy includes scoring digital activity at individual (prospect) opportunity micro-sites to accelerate the sales cycle.

By integrating all types of digital behavior, TPG is able to help the sales team leverage the most accurate behavioral scoring model possible and provide an additional focus on revenue.

Part Eight

The ROI of Lead Scoring

The ROI of Lead Scoring

Calculating the ROI of Lead Scoring

The true value of lead scoring comes from lead prioritization to help sales reps focus on the right leads at the right time. But does prioritization lead to hard dollar efficiencies? CSO Insights data shows that sales teams who prioritize sales efforts are 18% more likely to achieve revenue plans and 22% more likely to meet or beat their quota.

But how do you know if your scoring model drives these results? Lead scoring should increase sales productivity, increase the number of leads converted to opportunities, and decrease sales cycle times for qualified leads.

Increase in Lead to Opportunity Conversion
Lead scoring will ensure that reps work more efficiently by focusing on the leads likely to buy. Sales reps can close more deals and produce more revenue for the company. You must capture this before-and-after metric to compare results and demonstrate value.

Here is an example of how you might measure lead scoring results:

How Easy Is it To Get Access to Information About Prioritizing Sales Efforts?

	Easy	Hard
% Revenue Plan Achieved	97%	79%
% Rep Meeting/Beating Quota	72%	50%
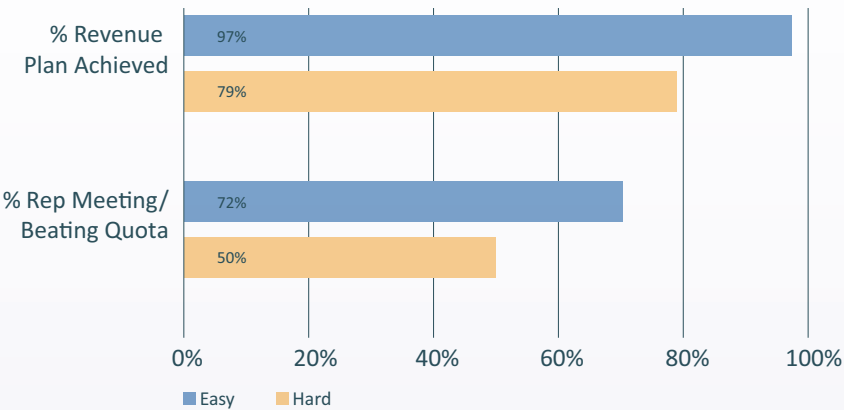
Source: CSO Insights.

Example

Metric	6 months before	6 months after
Leads sent to sales	1,000	600
Opportunity win rate	25%	40%
Revenue per deal	$50,000	$62,000
Total revenue	$25MM	$32MM

Your Turn

| Metric	6 months before	6 months after
Leads sent to sales		
Opportunity win rate		
Revenue per deal		
Total revenue		

The ROI of Lead Scoring

Decrease in Sales Cycle Duration

Typical sales cycles are measured from the time an opportunity enters into the CRM or marketing automation system through to purchase. The sales cycle starts when a lead becomes sales-ready until they purchase your product. Take the average number of days for this to happen over a set period, removing any potential outliers that may skew the data set. You should find lead scoring shortens sales cycle time.

To understand improvements in your sales cycle duration, you must first capture the typical sales cycle time before and after lead scoring. Revisit this metric every time you optimize your lead scoring model and measure the ongoing impact.

Lead Generation to Sales Conversion
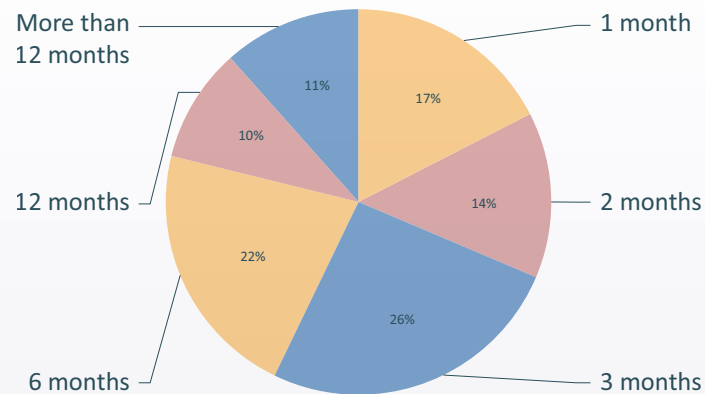
MarketingSherpa, The Length of B2B Sales Cycles from Lead Generation to Sales Conversion
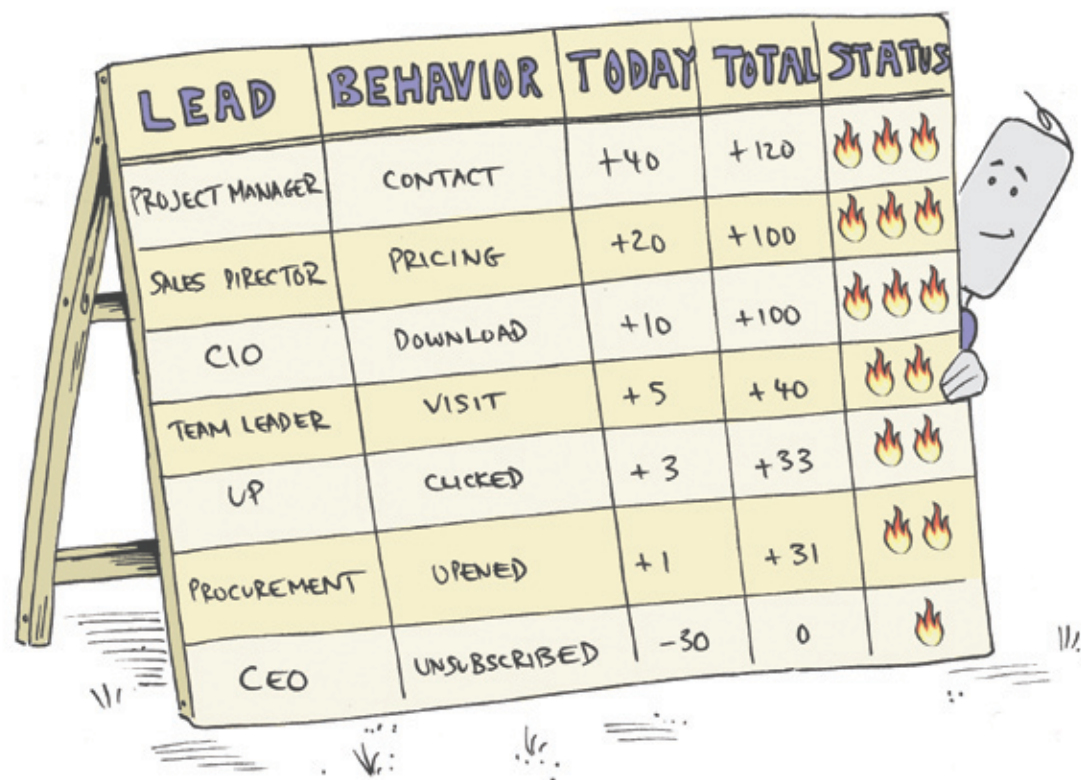
The ROI of Lead Scoring

Increase in Sales Productivity

All sales tasks vary. Sales reps who spend most of their time cold calling, or following up with bad leads, will lag behind those making prospect visits, giving demos, and explaining your company's value to prospects in your target demographic. You can measure marketing automation's impact on sales productivity by recording how a rep spends their time before vs. after lead scoring was launched.

The metric is easy for organizations that measure the amount of outbound calls, demos, and prospect visits. A smaller company may want to do an informal sales rep survey to find out about their activities before lead scoring is implemented.

You can measure the results in simple dollars. How much revenue is being generated by each rep before and after lead scoring is implemented? The increase here will be the ultimate measure of how successful lead scoring has been for your organization.

	Before lead scoring	After lead scoring
Revenue generated		
Number of sales reps		
Revenue per sales rep (Revenue generated/ number of reps)		

Part Nine

Conclusion

Conclusion

Selecting a Marketing Automation System

Ready to get started, but don't have the right tools in place to create your lead scoring program? Many marketing automation systems will say they perform lead scoring, but often the marketer is limited to a predetermined model, or scoring system, that focuses on only behavior or demographics. This checklist supports your marketing automation evaluation to help you choose the right system for your organization.

Marketing Automation Lead Scoring Functionality Checklist:

☐ Can lead scoring be done based on lead attributes and behaviors?
Business reason: Score accuracy identifies "hot" sales leads from nurturing candidates.

☐ Can lead scoring be based on activity data in the CRM?
Business reason: Scoring on all data elements, including activity, enables marketers to gauge prospect interest and readiness.

☐ Can lead scoring be based on opportunity data in the CRM?
Business reason: Scoring on all data elements, including opportunity, enables marketers to gauge prospect interest and readiness.

☐ Can a lead score be recalculated based on a trigger event or schedule?
Business reason: Activities and events improve understanding of prospect mindset.

☐ Can a lead score be displayed as both a number and a visual icon for the sales rep?
Business reason: A visual cue is usually easier to interpret than a score displayed as a number.

☐ Can a sales rep change the lead score automatically as data values change as well as manually?
Business reason: A sales rep who interacts with the lead gains insight into an accurate score.

☐ Can the sales rep drill down into the lead score to see the activity that created the scoring?
Business reason: Just sharing a score with no insight of how it was achieved may cause the rep to distrust the score.

☐ Can a lead score identify active vs. latent buying behavior?
Business reason: Not every prospect activity indicates buying behavior.

☐ Can each scoring attribute, demographic and behavioral, be assigned different weights?
Business reason: Each prospect's demographic and behavior may not be of equal importance. Weighting these values ensure that the right leads get to sales at the right time.

☐ Can a lead score be automatically decreased due to inactivity?
Business reason: Inactivity is just as important as activity in lead scoring.

☐ Can you have multiple lead scores per lead?
Business reason: Multiple lead scores gauge different levels of interest across product lines and categories where relevant.

☐ Can lead scoring be managed in the marketing automation tool and used for targeting or segmenting?
Business reason: Managing lead scoring in a marketing automation tool enables targeting or segmenting campaigns by company.

☐ Are lead scoring rules managed by an administrator or by individual marketing users?
Business reason: Lead scoring is an ongoing process. Marketers that rely on administrators to manage scoring rules will not adjust these scores, creating a weaker scoring model.

Lead Management Benefits

Lead scoring is an integral part of lead management. By tracking your prospect's online behaviors and web activity, you can determine their level of interest in your solution in addition to your interest in them. Only by combining both factors can you send truly qualified leads to sales, promoting sales and marketing alignment and enhance revenue performance.

The Definitive Guide to Lead Scoring outlined the importance of lead scoring to create success across your marketing and sales organizations. For both novice and experienced practitioners, *The Definitive Guide to Lead Scoring* offered advice, best practices and a summary of *How Marketo Does It* covering:

- **The basics in lead scoring** including explicit and implicit lead scoring
- **How to get started** with examples from Marketo and Marketo customers
- **Advanced strategies** including Product Scoring, Account Scoring and Score Degradation
- **Lead Lifecycle Management** to improve sales and marketing alignment
- **Common Lead Scoring Issues** to save you time and prevent you from inaccurate scores
- **The effect Content Marketing and Social Media** have on Lead Scoring
- **How to calculate the ROI** of Lead Scoring

When you invest in lead scoring, you make the most out of every lead that enters your database, increasing the success of marketing campaigns, and ultimately creating more and higher quality sales leads, increased conversion rates and exploding revenue growth.

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About Marketo

Marketo is the global leader in Revenue Performance Management. Marketo's powerful yet easy-to-use marketing automation and sales effectiveness solutions transform how marketing and sales teams of all sizes work — and work together — to drive revenue performance and fuel business growth. The company's proven technology, comprehensive services, and expert guidance are helping customers to turn marketing from a cost center to a business-building revenue driver.

Marketo has been recognized with the 2010 CODiE award for "Best Marketing Solution," the "Best Sales and Marketing 2.0 Solution" from SellingPower, and the "Best Marketing Automation Application" by Salesforce customers on the Force.com AppExchange. More customers around the world use Marketo's solutions than any other revenue performance or marketing automation vendor.

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