

Lead Scoring

What is Lead Scoring?

Lead scoring is the process of ranking a lead's level of interest and sales readiness according to a methodology agreed upon by both marketing and sales. Companies can score leads in a number of ways: by assigning points, by implementing rankings such as A, B, C, or D, or by using terms such as "hot," "warm," or "cold." Regardless of which method you choose, scoring methodologies should incorporate a combination of demographic attributes; lead source and offer; budget, authority, need, and timeline (BANT) considerations; completeness of data profile; and behavioral attributes.

Lead Scoring - Analyst Facts

"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," 2006

"A 10% improvement in lead quality can result in a 40% improvement in sales productivity." – **Stu Schmidt**, Vice President of Solution Sales at Cisco Webex at Sales 2.0 Conference, San Francisco, 2007

Sample of Scoring

LEAD SCORE	PRIORITY LEVEL	MARKETING OR SALES ACTION
0-40	Suspect	Nurturing activities by Marketing
41 - 60	Lead	Move to Telemarketing for qualification or nurture with buy cycle content
61+	Sales Ready Lead	Send to Sales

Scoring Based on Content

VISITOR	CLICKED LANDING PAGE (Score 5)	TIME ON LANDING PAGE (Score 5 if >=10 sec)	VIEWED PRODUCT PAGES OR CASE STUDIES (5 each)	VIEWED CASE STUDIES (5 each)	WHITEPAPER DOWNLOAD (Score 10)	TIME ON SITE (Score 10 if >= 2 min)	SCORE
1	5	5	15	10	10	10	55
2	5	5	0	0	10	0	20

Glossary Terms

BANT – The acronym for Budget, Authority, Need, Timeline—critical attributes that are used to determine the sales readiness of a lead

Company Score – The total score of all leads for a specific company. This may also be calculated by average. Also known as **Account Score**

Depreciation – The ability to automatically lower a lead score due to inactivity, status change, or any other attribute that signifies a decrease in the level of interest – sometimes known as **Lead Degradation** and **Score Decay**

Explicit data – Information that a prospect provides that is unambiguous such as title, industry, company, etc.

Implicit data – Information that is revealed by a prospect's online behavior such as pages visited, and recency or frequency of visits

Lead scoring – The process of determining the sales readiness of leads using a pre-determined scoring methodology and ranking them accordingly

Multiple scoring – The ability to assign multiple scores to a lead, which can be useful for companies with multiple products or campaigns that need to be managed separately

Point cap – A limit placed on a lead score to prevent scores from being inflated by repeated actions or triggers (e.g. multiple downloads of the same whitepaper)

Product score – The score for a lead that indicates their interest in a specific product. An organization may capture multiple product scores

Qualified – The lead characteristic of being ready to engage with sales—a definition that is agreed upon by marketing and sales according to the profile of an "ideal" customer and a scoring methodology

Sales-Ready Leads (SRLs) – A lead that is ready for sales interaction, often decided by a lead score

Scoring methodology – The framework by which leads are scored (e.g. points, letter grades, etc.)

Threshold – A score used to determine whether or not a specific action should be taken on a lead

Trigger – An event based on a change or update in status, demographic information, or user behavior that causes a lead to proceed along a specific workflow branch or a new path entirely

Demographic Versus Behavior Scoring

Demographic Scoring: Lead information like job title, industry, time to purchase, or annual revenue. Give higher scores to your target audience or people who match key sale indicators.

Behavioral Scoring: Lead activities like visiting web pages, opening emails, and responding to offers. Visiting a pricing page shows stronger interest than visiting your careers page. While these can be calculated separately- it is important to score on both.

Lead Scoring – Basic Techniques

- Align marketing & sales when determining the profile of an “ideal” customer and defining what constitutes a “sales-ready” lead
- Establish a lead scoring methodology to rank leads (e.g. using points, letter grades, or the terms “hot,” “warm,” and “cold”)
- Determine a score threshold that will indicate a “sales-ready” lead
- Start by assigning lead scores according to explicit data such as demographic and BANT attributes

Lead Scoring – Advanced Techniques

- Assign lead scores according to implicit data such as the online behaviors of both anonymous and known visitors
- Incorporate lead scores as triggers in your automated campaigns
- Set up alerts for the sales team when certain lead score thresholds are met
- Explore multiple scoring to gain greater insight into a lead’s level of interest in different products or campaigns

Top Metrics to Measure ROI with Lead Scoring

- Increased conversion rates from qualified lead to opportunity
- Increased sales productivity
- Overall decrease in sales cycle duration for qualified leads

Why Do You Need Lead Scoring?

Lead scoring is essential to any lead nurturing program because all leads are not created equal. Throughout the buying process, some individuals or organizations are more ready to buy than others, and it is up to the marketing and sales teams to determine the best way to identify the most sales-ready leads and those leads that would benefit from further nurturing by marketing. By using lead scoring to determine lead quality, companies can drive marketing and sales productivity, and increase revenue more quickly.

What Lead Scoring is Not

Lead scoring is NOT a process that can be done by marketing alone because it ultimately relies on the sales team’s input regarding what constitutes a “qualified” lead. Also, lead scoring is not done simply to cherry-pick hot leads and ignore the rest of the database—the ultimate goal of lead scoring is to identify which leads are ready to move on to sales and which leads require further nurturing by marketing so that no lead is left ignored.

Tips for Lead Score Optimization

- Review scoring to provide the most accurate scores possible.
- Review scores of won and lost opportunities. Were these scores where they should have been for these top prospects?
- Look at leads that had high scores that did not turn into opportunities. Could scoring be improved so that these did not end up appearing a top priority for sales even though they never turned into revenue?
- Look at scores by demographic segments like region, title, and company to see if demographic scoring is adjusting the score improperly.
- Look at online behaviors to see if the actions your best leads are taking are being reflected properly in the score.

Score Creation

★ 1 - Change Score

Score Name: Lead Score Change: +1

Add Choice

★ 1 - Change Score

Choice 1

If: Job Title contains Vice President

Score Name: Lead Score Change: +5

Choice 2

If: Job Title contains Director

Score Name: Lead Score Change: +3

Default Choice

Score Name: -- Do Nothing Change: +20, -5, =50, etc.

Note: Only the first matching choice applies.

Top Resources

- Start with a Lead - blog.startwithalead.com
- Modern B2B Marketing Blog: blog.marketo.com
- Demandbase Blog: blog.demandbase.com
- Funnelholic www.funnelholic.com
- B2B Marketing Zone: www.b2bmarketingzone.com
- BtoB Online: www.btobonline.com
- MarketingProfs: www.marketingprofs.com

Information for this B2B Marketing Cheat Sheet was taken from Marketo and Demandbase thought leadership including:

- *The Secret Sauce for Demand Generation – a webinar* - www.marketo.com/secret-sauce
- *Best Practices in Lead Scoring* - www.marketo.com/library/are-they-hot-or-not-lead-scoring-wp.pdf
- *How to develop a B2B Lead Scoring Program that works – a webinar* - www.demandbase.com/reg_lead_scoring_webinar.html

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