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The Lead-Nurturing Payoff For The Tech Industry

by Lori Wizdo
for Technology Marketing Professionals

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Engage With Early-Stage Buyers, Drive Pipeline And Revenue Performance

by Lori Wizdo
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EXECUTIVE SUMMARY

Today's empowered technology buyers are two-thirds of the way through their buying process before they engage with tech vendors' sales teams. Forrester believes that a robust lead-nurturing program gives tech companies the opportunity to engage with buyers in the early, formative stages of their buying cycles to develop a personal relationship that will shape the buying process and affect sales outcomes. But tech marketers need to transform and mature their current lead-nurturing processes to take advantage of the results that lead nurturing is already delivering for tech marketing leaders — more leads, shorter sales cycles, higher close ratios, less discounting, and more revenue per transaction.

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NOTES & RESOURCES

In the Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey, Forrester asked 136 senior, North American-based tech marketers at global high-tech companies how their organizations were tackling the critical challenges of demand management.

Related Research Documents
"The Pipeline Is Less Than Half Empty"
August 2, 2011

"Drive Tech Marketing And Sales Alignment With Lead-To-Revenue Management"
April 22, 2011

"Investing In Tech Marketing, 2011"
February 1, 2011

"Lead-To-Revenue Management Transforms Tech Marketing"
December 22, 2010

LEAD NURTURING CLOSES AN EXPANDING GAP IN THE TECH BUYER ENGAGEMENT

Digital interaction models have fundamentally changed how B2B buyers research and buy technology solutions. Today's empowered customers kick-start their buying journey on the Web, seeking information sources that help them envision outcomes, define buying criteria, and shape decision-making processes before engaging with your sales group.

Large numbers of tech marketers have been disintermediated from the early stages of their customer's buying process and have not adjusted their buyer engagement models to match new buyer behaviors. As a result, tech marketers are less able to preferentially shape a buyer's selection criteria; they have a diminished capacity to position themselves as best able to help the customers achieve their outcomes; they are more likely to find themselves competing on product features; and they have less ability to defend against discounting in negotiations.

Forrester believes that technology companies can connect with their customers earlier in the customer's buying process, and stay connected throughout the buying cycle, by creating a new buyer engagement model built on superior lead nurturing.

Too many tech marketers believe that "nurturing" is the same as emailing loosely targeted content or company announcements to contact names on a regular basis. That's not nurturing; that's a drip-marketing program on steroids. Too many sales organizations are delivering a monthly "touch base" call just to see if the customer has changed his or her mind. That's not nurturing; that's simply an unsolicited sales call.

Lead nurturing requires customer touches, but it's not defined by the number of touches. Forrester defines lead nurturing as:

> *A sustained relationship with influencers and decision-makers in a potential customer through which relevant and valuable insight is delivered through integrated channels in a coordinated process, in exchange for increasing intimacy and influence that manifests benefits through shorter sales cycles, higher close rates, smaller discounts, and larger deals.*

LEAD NURTURING IS A MARKETING, NOT A SALES, MANDATE

Forrester believes that developing competence in lead nurturing is the most important action a technology company can take to improve lead-to-revenue management (L2RM) processes.[1] As "lead nurturing" evolves from "drip marketing" to competencies for sustaining longer term, outcome-oriented business relationships, tension regarding who should own it — marketing or sales — escalates. Forrester believes that lead nurturing is a marketing role, not a sales role, because:

- **Relationships should be nurtured without regard to the timing of a purchase.** Sales will always give a lower priority to developing long-term relationships when given the chance (or

presented with a need) to close a short-term revenue opportunity. And that's what we want sales to do. That's why sales is chartered, goaled, and managed to produce reliable revenue results on a quarterly basis. Marketing can engage with the customer without the constraints imposed by short-term revenue requirements.

- **Salespeople are trained to focus on BANT (budget, authority, need, and timing).** Effective nurturing begins at the early stages of the customer's buying cycle, when the customer is probing the need, scoping the solution, and planning for a technology evaluation and purchase. Customers in the early stages of a purchasing decision are open to knowledge, insight, and even guidance from a tech vendor. But, they are not willing to be grilled by an aggressive sales rep on their sales worthiness.

- **Salespeople don't need excuses to substitute activity for results.** Sales execs in the tech industry may be "coin-operated" through an evolutionary survival-of-the-fittest dynamic, but they are kept on point through the intelligent design of the sales compensation plan.[2] An organizational decision that makes sales responsible for processes that aren't designed to yield near-term revenue results will make it more difficult to manage sales to the goals of predictable revenue results on a quarterly basis.

LEAD NURTURING IS DELIVERING L2RM RESULTS

In 2011, marketing execs allocated 26% of their budget to demand management. That is the biggest budget slice for any marketing discipline, even topping product management and marketing at 21%.[3] Tech marketers also plan to shift investment from lead origination to lead nurturing (see Figure 1).

In our Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey, we found that, on average, marketing is the source of only 27% of the pipeline at tech companies (see Figure 2).

However, a significant percentage of respondents were contributing more than 40% of the sales pipeline. When we compared the behavior of those top performers against the worst performers (where 15% or less of the sales pipeline was marketing sourced), we found some compelling differences in nurturing behaviors and results, demonstrating the pipeline impact of effective lead nurturing:

- **All of the top performers had a nurturing program.** Nearly 10% of the worst performers reported that they did not nurture leads at all.

- **Top performers have a more committed approach to nurturing.** While 82% of top performers reported that it took four or more nurturing interactions to mature a lead to sales qualified status, only 74% of the worst performers reported using four or more touches. Nearly one-third (32%) of the top performers reported seven or more touches versus 26% for worst performers (see Figure 3).

- **Top performers realized improved performance at all stages of the L2RM cycle.** Conversion ratios for top performers were at least 4 percentage points higher through the major stages of the L2RM process: lead origination, lead nurturing, and sales conversion (see Figure 4).

Figure 1 Tech Marketers Are Increasing Budget For Nurturing Activities

"How much will your planned marketing budget in 2011 change compared to your overall marketing budget in 2010 across the following functions?"
(Percentage change relative to overall budget)

Function	Value
Community and interactive marketing	0.8%
Lead nurturing	0.8%
Channel enablement	0.4%
Branding, awareness	0.4%
Customer and market intelligence	0.2%
Field enablement	-0.2%
Lead origination	-0.4%
Product management	-0.5%
Marketing operations	-0.5%
Product marketing	-1.1%

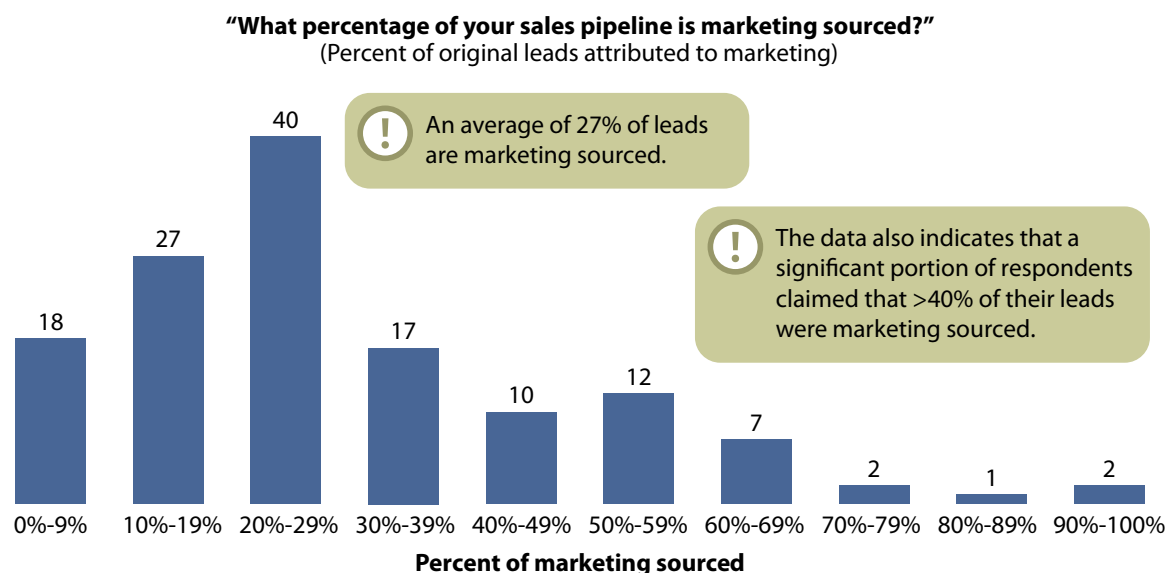(!) Within demand management spend, this represents an 11% year-to-year budget increase.

Base: 373 marketing executives in North American and European high-tech B2B companies with 100 or more employees

Source: Q4 2010 North American And European B2B Marketing Organizations And Investments Online Survey

60824   Source: Forrester Research, Inc.

Figure 2 The Marketing-Sourced Pipeline Is Weak

"What percentage of your sales pipeline is marketing sourced?"
(Percent of original leads attributed to marketing)

An average of 27% of leads are marketing sourced.

The data also indicates that a significant portion of respondents claimed that >40% of their leads were marketing sourced.

Percent of marketing sourced

0%-9%	10%-19%	20%-29%	30%-39%	40%-49%	50%-59%	60%-69%	70%-79%	80%-89%	90%-100%
18	27	40	17	10	12	7	2	1	2

Base: 136 marketing decision-makers at North American high-tech B2B companies with 100 or more employees

Source: Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey

60824   Source: Forrester Research, Inc.

Figure 3 The Top Performers In The Marketing-Sourced Pipeline Are More Active In Lead Nurturing

"How many nurturing interactions (touches) does it take to nurture a lead to sales qualified status?"

■ 1-3 ■ 4-6 ■ 7 or greater ■ We don't nurture leads

	1-3	4-6	7 or greater	We don't nurture leads
All respondents	20%	48%	26%	7%
Top performers	18%	50%	32%	
Worst performers	16%	49%	26%	9%

Base: 136 marketing decision-makers at North American high-tech B2B companies with 100 or more employees
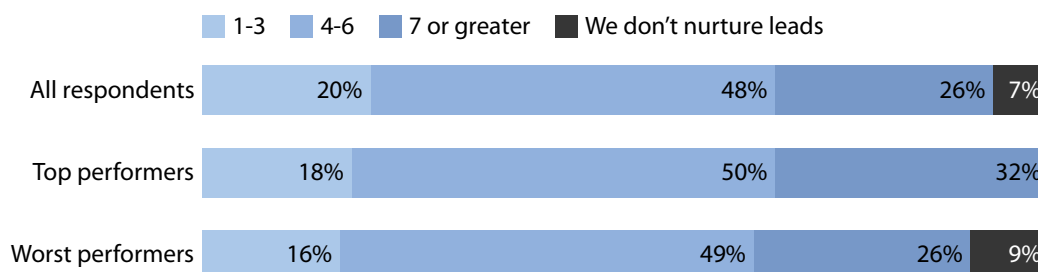
Source: Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey

60824   Source: Forrester Research, Inc.

Figure 4 Lead Nurturers Realized Improved Performance At All Stages Of The L2RM Cycle

Process stage	Metrics	Definition	Conversion factor		
			All respondents	Top performers	Worst performers
Lead origination	Inquiries and responses	Responses to marketing campaigns, activities, other inquiries			
	Marketing-qualified leads	Leads that meet marketing-defined qualification criteria	35%	38%	34%
Lead nurturing	Nurturing interactions	Interactions with marketing-qualified lead pool	*		
	Sales-qualified leads	Leads that meet sales-defined lead qualification criteria	32%	34%	30%
Sales conversion	Pipeline opportunities	Leads that meet sales-defined opportunity qualification criteria	26%	28%	24%
	Closed won deals	Closed won deals required to meet revenue goal	22%	25%	20%
Revenue					

(!) The bottom line impact of the improved conversion factors for top performers is 41% more marketing impact on closed deals than all respondents and 85% more impact than bottom performers.

Base: 136 marketing decision-makers at North American high-tech B2B companies with 100 or more employees

Source: Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey
*48% of respondents said that it takes "4-6" nurturing touches to nurture a lead to sales qualified status.

60824   Source: Forrester Research, Inc.

TECH MARKETERS NEED TO RETHINK NURTURING

Tech marketers who want to build a lead-nurturing program that can accomplish the objectives of more sales leads and shorter sales cycles, higher close rates, and larger deal sizes will need to internalize the following:

- **Lead nurturing helps the customer learn how to buy.** The most effective lead-nurturing programs are designed to guide the customer through the buying process, shaping decision criteria along the way. This is the basis for improved conversion rates: Customers are more likely to follow close behind when they perceive that a vendor is taking them where they want to go.

- **Nurturing is person-to-person, not company-to-company.** The goal of lead nurturing is to establish a personal connection with the buyer that will affect sales outcomes. When we asked business technology buyers what differentiates a vendor from its competition, by far the most significant factor was the vendor's ability to align product to specific client context.[4] Tech marketers who have mastered this have been rewarded with exceptional insight into the political, economic, and strategic context that drives a purchase decision. This sort of insight is usually "hidden" from a sales rep in the later stages of procurement.

- **Nurturing requires thoughtful lead categories and disciplined lead categorization.** The biggest factor determining the success of your lead-nurturing process will be the quality of the leads accepted into the nurturing process and the maturity of the leads that are matriculated to sales.
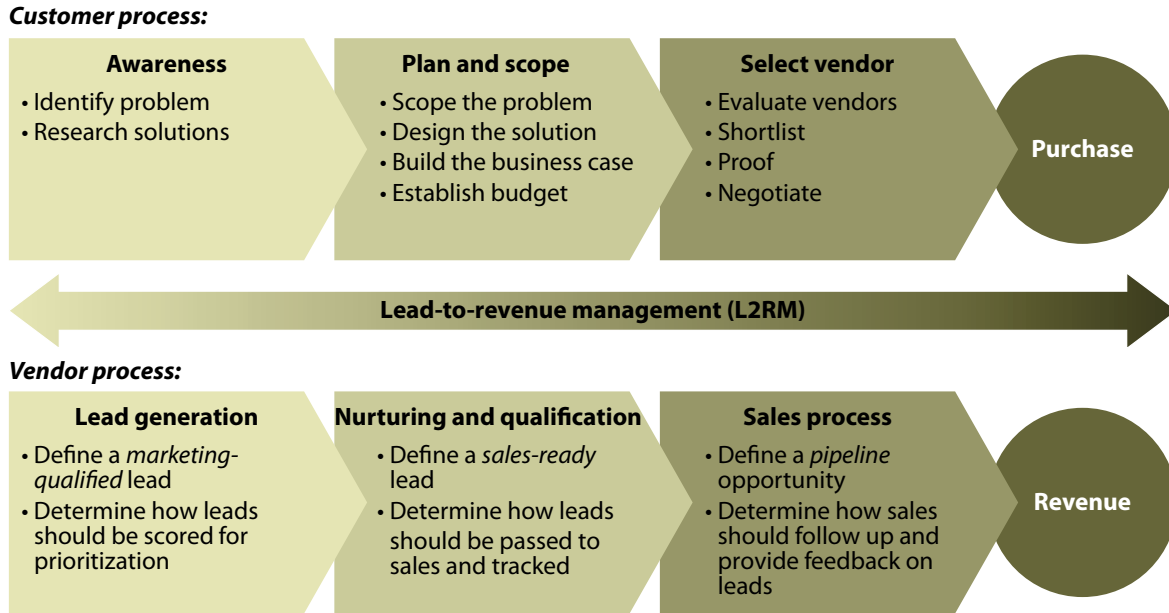
Effective Lead Nurturing Is Calibrated To Customers' Needs

Lead nurturing helps tech vendors better connect with their customers during the scoping and planning stages of the technology procurement process. Customer activities during these phases include: scope the problem, research the solutions, design the solution, build the business case, and establish budget (see Figure 5).

Tech marketers who want to design a nurturing strategy to support the activities of the scoping and planning phases should:

- **Design a content strategy that helps the customer with the activities of these stages.** At this point, the customer is not looking for product capabilities or competitive differentiators. The prospect is looking for independent perspectives on the problem, relevant case studies that focus on customer outcomes, and tools to help build a business case.

- **Establish a "touch strategy" for each nurtured customer segment.** Forrester research indicates that there is some variation in the customer's journey through the planning and scoping phases. For example, in a recent survey, we found that 75% of software companies reported that leads were converted to sales-ready status in less than six months compared with only 67% of hardware vendors (see Figure 6). Monitor during the early phases to optimize the touch strategy.

- **Deliver through your buyer's preferred channels.** Tech marketing tactics are not well-calibrated to the information preferences of the tech buyer (see Figure 7). The most notable mismatch is tech vendor's use of webinars (the second-most popular tactic, cited by 63% of respondents) with the tech buyer's interest in webinars (the eighth-most popular source, cited by only 41% of respondents). Tech buyers should invest in understanding what content their buyers need to see, delivered through which sources, during the planning and scoping process.
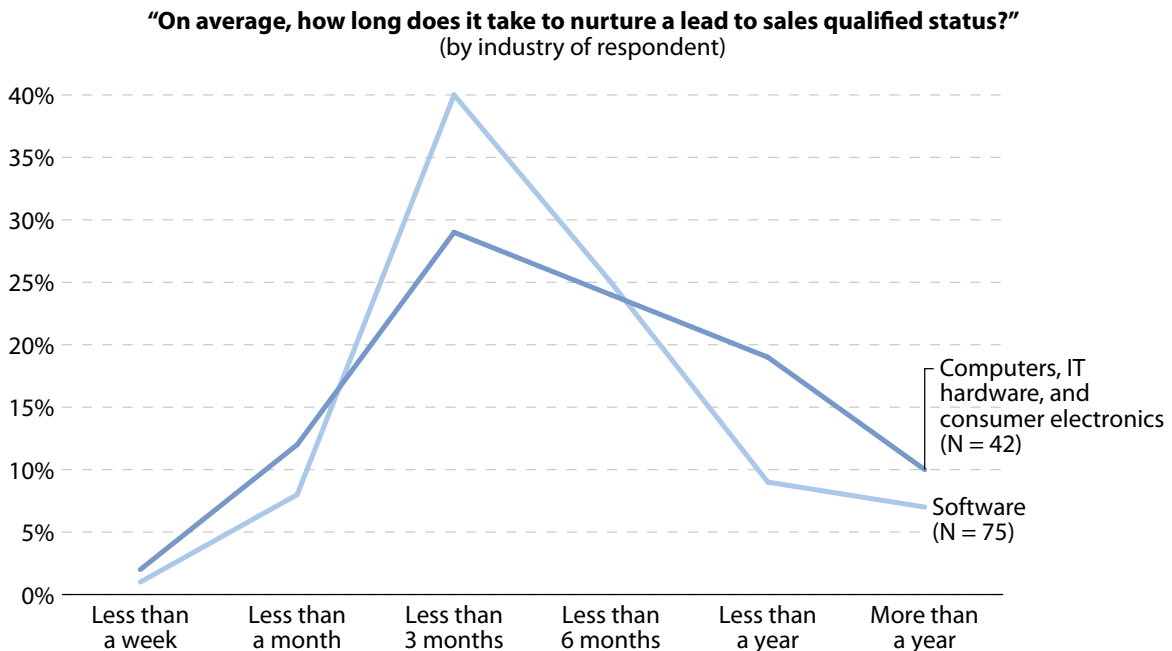
Figure 5 Effective Lead Nurturing Is Designed To Help The Customer Through The Buying Process

Customer process:

Awareness	**Plan and scope**	**Select vendor**	
• Identify problem • Research solutions	• Scope the problem • Design the solution • Build the business case • Establish budget	• Evaluate vendors • Shortlist • Proof • Negotiate	**Purchase**

Lead-to-revenue management (L2RM)

Vendor process:

Lead generation	**Nurturing and qualification**	**Sales process**	
• Define a *marketing-qualified* lead • Determine how leads should be scored for prioritization	• Define a *sales-ready* lead • Determine how leads should be passed to sales and tracked	• Define a *pipeline* opportunity • Determine how sales should follow up and provide feedback on leads	**Revenue**

60824   Source: Forrester Research, Inc.

Figure 6 Prospects For Different Technology Categories Mature At Differing Rates

"On average, how long does it take to nurture a lead to sales qualified status?"
(by industry of respondent)

Computers, IT hardware, and consumer electronics (N = 42)
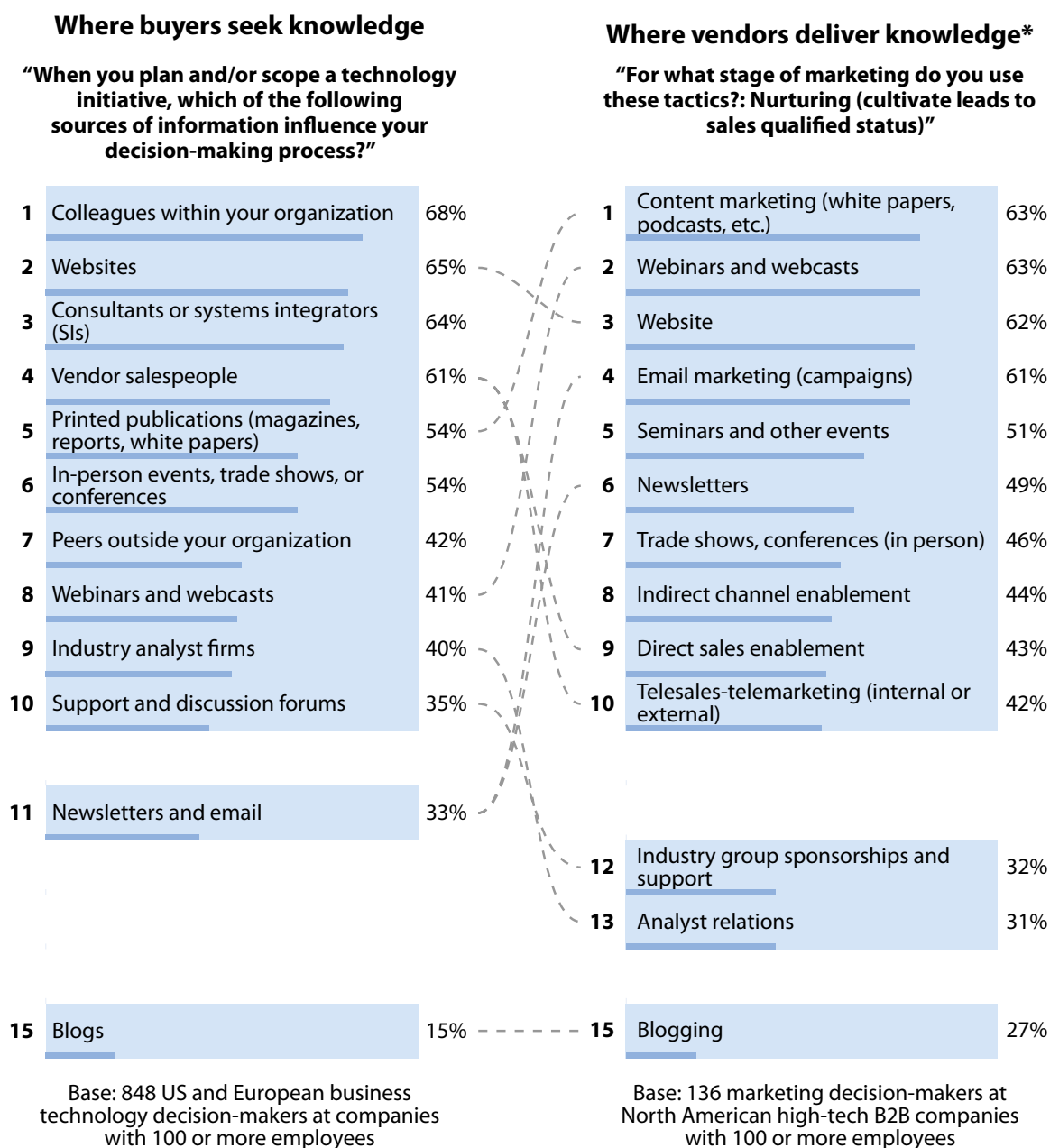
Software (N = 75)

Base: 136 marketing decision-makers at North American high-tech B2B companies with 100 or more employees

Source: Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey

60824   Source: Forrester Research, Inc.

Figure 7 Tech Marketing Tactics Are Not Well-Calibrated To Buyer Preferences

Where buyers seek knowledge

"When you plan and/or scope a technology initiative, which of the following sources of information influence your decision-making process?"

1	Colleagues within your organization	68%
2	Websites	65%
3	Consultants or systems integrators (SIs)	64%
4	Vendor salespeople	61%
5	Printed publications (magazines, reports, white papers)	54%
6	In-person events, trade shows, or conferences	54%
7	Peers outside your organization	42%
8	Webinars and webcasts	41%
9	Industry analyst firms	40%
10	Support and discussion forums	35%
11	Newsletters and email	33%
15	Blogs	15%

Base: 848 US and European business technology decision-makers at companies with 100 or more employees

Where vendors deliver knowledge*

"For what stage of marketing do you use these tactics?: Nurturing (cultivate leads to sales qualified status)"

1	Content marketing (white papers, podcasts, etc.)	63%
2	Webinars and webcasts	63%
3	Website	62%
4	Email marketing (campaigns)	61%
5	Seminars and other events	51%
6	Newsletters	49%
7	Trade shows, conferences (in person)	46%
8	Indirect channel enablement	44%
9	Direct sales enablement	43%
10	Telesales-telemarketing (internal or external)	42%
12	Industry group sponsorships and support	32%
13	Analyst relations	31%
15	Blogging	27%

Base: 136 marketing decision-makers at North American high-tech B2B companies with 100 or more employees

Source: Q1 2011 US And European B2B Social Technographics® Online Survey For Business Technology Buyers
*Source: Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey

60824   Source: Forrester Research, Inc.

Nurturing Is Person-To-Person, Not Company-To-Company

Tech marketers are often surprised to learn that potential customers *want* to talk to vendor salespeople early in their buying process. When asked to rank the information sources that influence their decisions when in the scoping and planning phases, 61% of respondents cited "vendor sales representative" — compared to 41% who cited "webcasts," the 40% who cited "industry analysts," or the 16% who cited blogs.[5] Tech marketers who want to develop an effective lead-nurturing program need to:

- **Humanize the nurturing process.** One marketing team interviewed for this report eliminated its "auto responder" process for website visitors. Instead, the team leverages marketing interns to make a personal and genuine outreach, via email, to every incoming lead. The company was astonished to find that 90% of prospects responded. Only about 30% of the respondents were in an active (often early) buying process; these leads were entered into a nurturing process. The remainder admitted that they were just educating themselves on an emerging technology; these leads were entered into a traditional drip-marketing campaign.

- **Personalize your nurturing interactions.** All nurturing interactions must be calibrated with the buyer's unique context (timing, need, knowledge). In short, they must be "personal" — not personalized. That could be why 55% of top pipeline contributors used telesales (or outsourced telemarketing) in the nurturing phase — compared with 38% of the worst pipeline performers who cited use of the tactic.

- **Protect the personal relationship during the handoff to sales.** Transferring the customer relationship from one representative of your company to another merits a transition that is more sensitive than changing the lead score in the CRM system. Consider a process where the team member responsible for nurturing the prospect makes a formal handoff to a specific salesperson who is presented to the prospect as "someone who is much better positioned to help you with the next steps of your evaluation process."

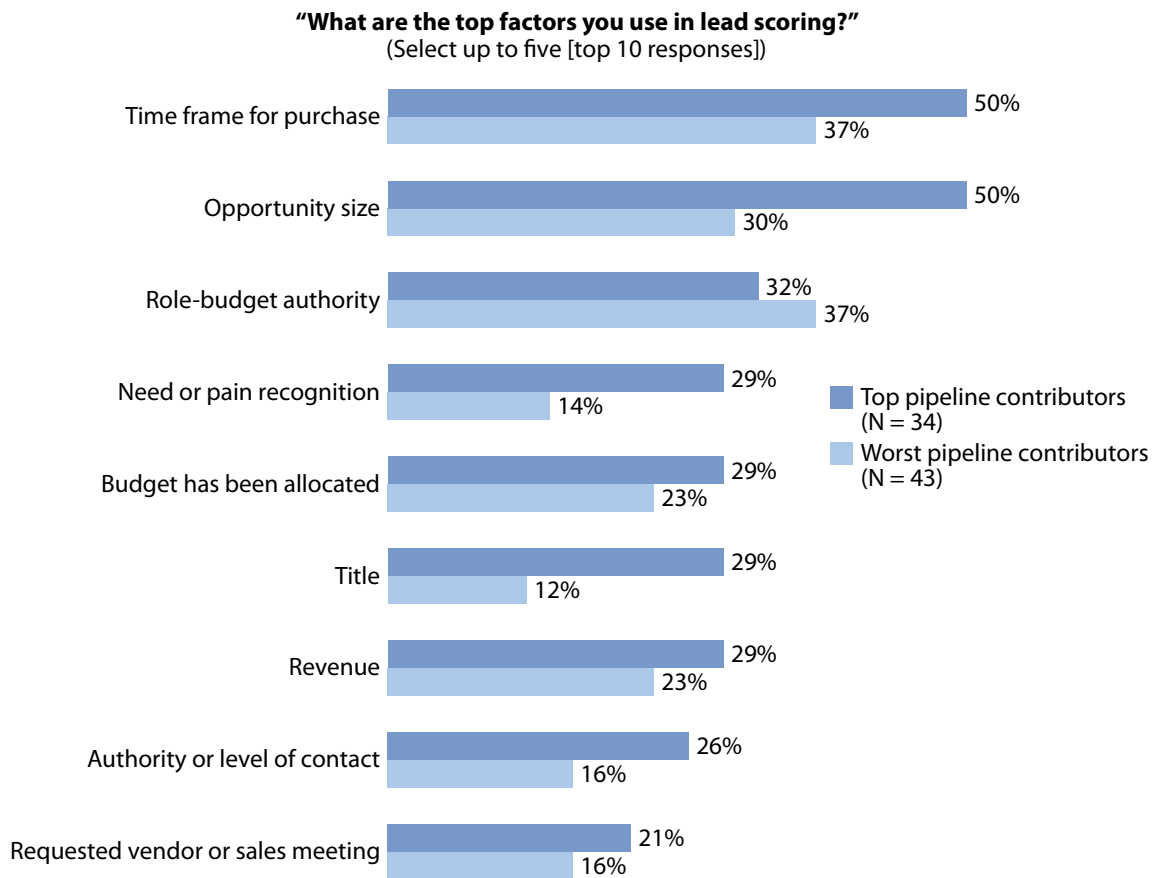## Nurturing Requires Thoughtful, Disciplined Lead Categorization

Tech marketers will need to develop a robust lead taxonomy, which enables the following:

- **Establish a process for scoring "marketing" leads.** Tech marketers need to determine if an incoming inquiry is actually engaged in a buying process, however nascent. Lead nurturing can be an expensive process, and it's OK to put prospects that are not in the planning and scoping phases into a drip-marketing campaign. But, it's important not categorize too rigidly. When Forrester compared the behavior of top pipeline performers against the worst performers, we found that top performers were slightly (12%) more likely to accept leads into the nurturing process.

- **Establish the criteria for graduating prospects to sales.** When we compared the behavior of top pipeline performers against the worst pipeline performers we found some significant

differences in the characteristics that were used to define a lead as sales-ready. Fifty percent of the top performers required a defined time frame for purchase, compared with only 37% of the worst performers. Top performers were also more likely to require a recognized need or pain (at 29% versus 14%). The numbers are closer on the requirement for allocated budget, but still top performers were more rigorous, with 29% including this as a requirement versus only 23% for the worst performers (see Figure 8).

- **Hold ground on definition of sales-ready lead.** A lead is sales-ready when the customer is through the planning and scoping phases. Sales will have a natural tendency to wrest control as early in the process as possible. One marketing exec that we interviewed on this topic reported that the top sales exec in her company demanded that leads turned over to sales as soon as marketing had validated the email address and phone number. The more fully nurtured your leads, the better the effect on the sales pipeline and outcomes will be.

Figure 8 The Top Performers Have More Rigorous Criteria For A "Sales-Ready" Lead

"What are the top factors you use in lead scoring?"
(Select up to five [top 10 responses])

Factor	Top pipeline contributors (N = 34)	Worst pipeline contributors (N = 43)
Time frame for purchase	50%	37%
Opportunity size	50%	30%
Role-budget authority	32%	37%
Need or pain recognition	29%	14%
Budget has been allocated	29%	23%
Title	29%	12%
Revenue	29%	23%
Authority or level of contact	26%	16%
Requested vendor or sales meeting	21%	16%

Base: 77 marketing decision-makers at North American high-tech B2B companies with 100 or more employees

Source: Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey

60824   Source: Forrester Research, Inc.

LEAD NURTURING REQUIRES LOCKSTEP MARKETING AND SALES ALIGNMENT

Because an active nurturing program will generate activity in the interstitial space between the operating silos of marketing and sales, it will exacerbate lack of alignment (and all too often lack of respect) between these two groups. To be successful with an active lead-nurturing program, marketing must take the initiative in ensuring alignment with sales, including sales management and, especially, individual sales executives. To avoid contention, tech marketers must:

- **Clearly define and communicate the lead-to-revenue process.** Lead nurturing takes the tech marketer far deeper into the sales funnel than other marketing process. Lead-nurturing activity occurs at the start of the customer's buying process. This means, axiomatically, that lead nurturing occurs at the start of the vendor's selling process. Great salespeople do not easily relinquish control over even the smallest aspects of their sales cycles, so it is important that the sales team understands the process and the respective roles of sales and marketing.

- **Effectively communicate the benefits to sales.** A comprehensive lead-nurturing program, executed by marketing, offers significant benefit to the technology industry sales management including: higher rep productivity; shorter sales cycles; higher close rates; and reduced discounting.

- **Define a process and agree to SLAs for follow-up of nurtured leads.** Most tech companies have a legacy of delivering loosely qualified leads to sales. The neural pathways of tech salespeople have been rewired to place low value on leads from marketing. Communication about the new lead-nurturing process is critical to ensure that salespeople understand that a nurtured lead is not equivalent to "people who visited our booth at a trade show." It's a good practice to agree with sales management on an SLA for follow-up on nurtured leads.

- **Create a baseline, set goals, and measure.** Before you launch a new approach to nurturing, it's important to create a baseline of current performance and define the goals, processes, and metrics required to meet the company's revenue targets.

UNDERSTAND BEFORE YOU AUTOMATE

Fifty-three percent of the top pipeline contributors have implemented lead management software, compared with 28% of the companies with the worst pipeline contribution. Tech marketers who intend to use marketing automation software to improve their lead nurturing should consider the following:
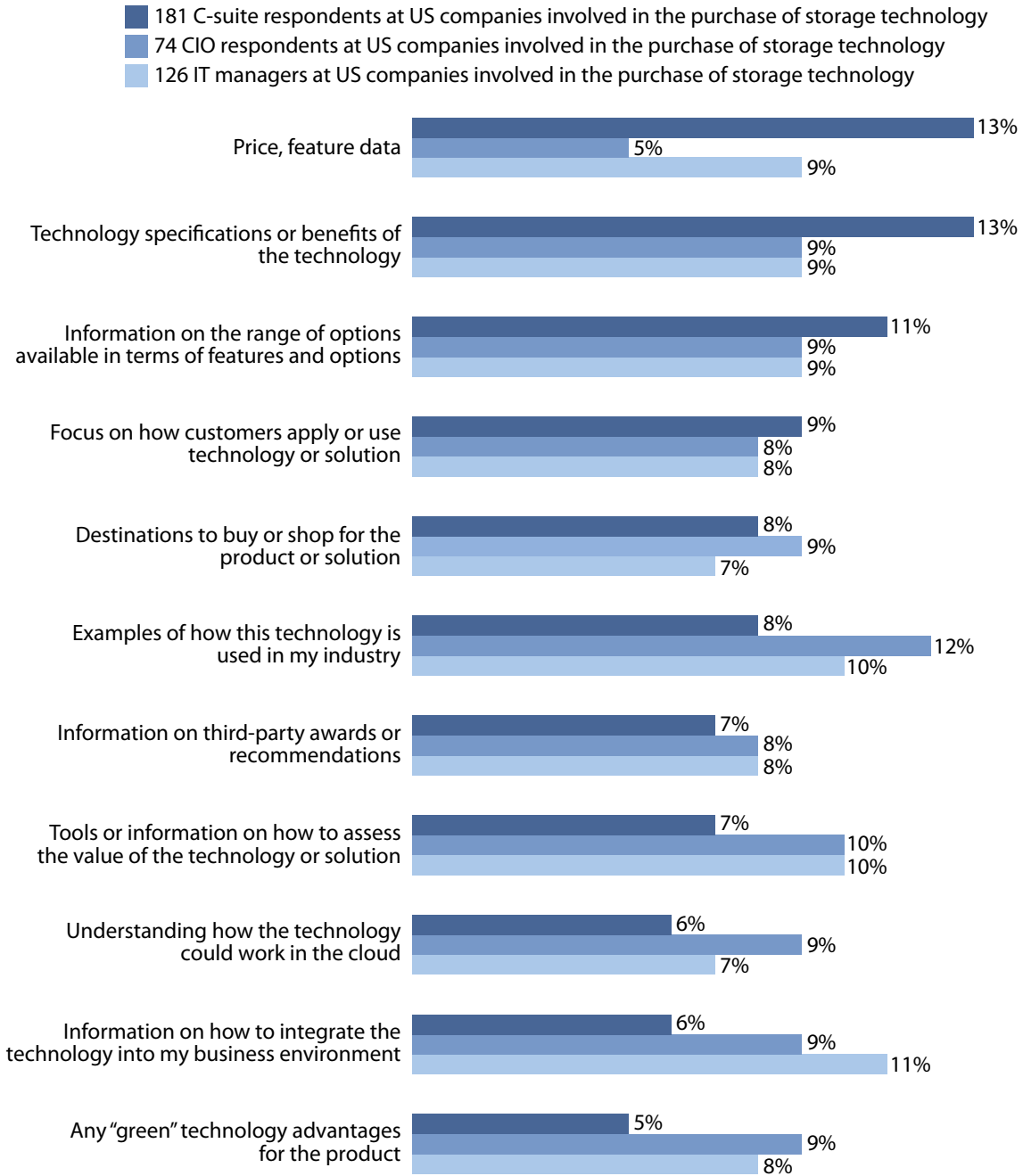
- **Pilot with an optimized campaign for a single target audience.** Effective nurturing strategies are built around the customer's journey through the buying process. There are many variables that define the buyer's journey, including the type of product, the role of the buyer, and the context around the purchase (e.g., automation versus transformation). Forrester research has found that different types of customers demonstrate dramatically different preferences for both

information channels and content types. For example, the data indicates the differences in content needs that buyers in three different roles demonstrate when evaluating storage solutions (see Figure 9). You will have a greater effect on sales results if you set the goal to develop a comprehensive nurturing campaign for one customer segment than it is to try to "mass nurture" all of your prospects.

- **Keep it simple to start.** Just because a marketing automation system enables you to define 18 singular workflows for prospects who engage in unique patterns of 25 different behaviors doesn't mean that you have to. Start with a simple process; mix liberally with human intervention; analyze the interactions you've had; correlate to results; and discover the process that will deliver the best results in the shortest time. Once you have optimized your process, you can automate it.

- **Take advantage of community knowledge.** The capabilities of most marketing automation solutions far outstrip the capacity of any individual tech marketing organization to implement. However, across the community of vendors and their customers, there is a great body of emerging best practice. Leverage that knowledge to leapfrog your own marketing automation efforts.

Figure 9 Content Preferences During Consideration (Plan And Scope) Phase Vary Greatly

"Thinking about the sources that you said had impact on the purchase process for brands or manufacturers of storage technology, which type of vendor information do you seek from each source?"

- ■ 181 C-suite respondents at US companies involved in the purchase of storage technology
- ■ 74 CIO respondents at US companies involved in the purchase of storage technology
- ■ 126 IT managers at US companies involved in the purchase of storage technology

Price, feature data — 13% / 5% / 9%

Technology specifications or benefits of the technology — 13% / 9% / 9%

Information on the range of options available in terms of features and options — 11% / 9% / 9%

Focus on how customers apply or use technology or solution — 9% / 8% / 8%

Destinations to buy or shop for the product or solution — 8% / 9% / 7%

Examples of how this technology is used in my industry — 8% / 12% / 10%

Information on third-party awards or recommendations — 7% / 8% / 8%

Tools or information on how to assess the value of the technology or solution — 7% / 10% / 10%

Understanding how the technology could work in the cloud — 6% / 9% / 7%

Information on how to integrate the technology into my business environment — 6% / 9% / 11%

Any "green" technology advantages for the product — 5% / 9% / 8%

Source: Forrester Tech Marketing Navigator, Q1 2011

R E C O M M E N D A T I O N S

MAKE LEAD NURTURING THE CENTERPIECE OF LEAD-TO-REVENUE MANAGEMENT

Companies that were most effective using lead nurturing to contribute to the sales pipeline had higher conversation rates (at least 4% higher) through the major stages of the lead-to-revenue management (L2RM) process: lead origination, lead nurturing, and sales conversion. Tech marketers are discovering the power of a fulsome lead-nurturing program to improve results in the L2RM process. Tech marketers who want to build a more robust lead-nurturing program that delivers results measured by more sales leads, shorter sales cycles, higher close rates, and larger deal sizes will need to understand the following:

- **Expand your vision for lead nurturing.** The organizational responsibility for lead nurturing rests with marketing. But, it's time to think beyond the boundaries of "marketing touches" and drip-marketing programs. When executed properly, lead nurturing is the start of a sales transaction. The role of tech marketing is to help the customer through the buying phases of planning and scoping. Lead nurturing requires an understanding of the buyer's needs during those stages and the ability to deliver content, insight, and advice to meet those needs. Lead nurturing builds trusted relationships with the influencers and decision-makers for technology procurement.

- **Use lead nurturing to improve marketing and sales alignment.** Lead nurturing takes marketing far deeper into the sales process than any other marketing process. As such, it has the power to improve the alignment between sales and marketing. When it comes to the prospect relationship, marketing and sales activities can no longer be considered as separate processes in which the only integration point is the lead handoff. Marketing should trust and leverage the sales team's knowledge of effective buyer communication and information requirements when developing a nurturing strategy. Sales should trust marketing's ability to handle the customer interactions during the plan and scope phases. And all that trust must be verified with a set of the goals, processes, and metrics.

- **Consider marketing automation.** While a marketing automation solution is neither necessary nor sufficient for an effective nurturing program, it is the best way to scale an already proven and effective process. Marketing automation vendors have engineered their solutions to automate the processes of lead origination and nurturing. In addition, these systems minimize the managerial overhead of monitoring and measuring, allowing tech marketers to publish a lead-to-revenue report card that can be used across the organization for tracking and monitoring progress by all stakeholders.

WHAT IT MEANS

LEAD NURTURING GIVES MARKETING THE OPPORTUNITY TO DRIVE REVENUE RESULTS

Lead nurturing can give tech marketers a seat at the revenue table. This is a pivotal first step toward earning a seat at the strategy table. Once tech marketers prove they can understand a customer's pain and buying motives and demonstrate that they can cultivate interest into action, they will earn the opportunity to help shape business strategy based upon proven, high-yield go-to-market strategies. This can only help technology companies take products to market in a way that is tuned to customer's desired outcomes, not the technology's awesome capabilities. Increasing marketing's alignment to sales and contribution to the top line is an essential step on the path to increasing tech marketing's credibility and leadership within the tech business.

SUPPLEMENTAL MATERIAL

Methodology

Forrester's Q4 2010 North American And European B2B Marketing Organizations And Investments Online Survey was fielded to 563 B2B marketing executives located in Canada, France, Germany, the UK, and the US from SMB and enterprise companies with 100 or more employees, including 373 respondents in high-tech industries and 190 respondents in other industries.

This survey was fielded from October 2010 to November 2010. LinkedIn Research Network fielded this survey online on behalf of Forrester. Survey respondent incentives include a choice of cash, gift certificates, or a summary of the research results. We have provided exact sample sizes in this report on a question-by-question basis.

Forrester's Q1 2011 North American B2B Technology Marketing Tactics And Benchmarks Online Survey was fielded to 136 B2B high-tech marketing executives located in the US from small and medium-size (SMB) and enterprise companies with 100 or more employees.

This survey was fielded in Q1 2011. LinkedIn Research Network fielded this survey online on behalf of Forrester. Survey respondent incentives include a choice of cash, gift certificates, or a summary of the research results. We have provided exact sample sizes in this report on a question-by-question basis.

In addition to sampling error, one should bear in mind that the practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls. Other possible sources of error in polls are probably more serious than theoretical calculations of sampling error. These other potential sources of error include question wording, question ordering, and nonresponse. As with all survey research, it is impossible to quantify the errors that may result from these factors without an experimental control group, so we strongly caution against using the words "margin of error" in reporting any survey data.

These statements conform to the principles of disclosure of the National Council on Public Polls.

We have illustrated only a portion of survey results in this document. For further access to the data results, please contact inquiry@forrester.com.

You can find more information about the data on the Survey & Data page online. From this page, you will be able to download the Survey Instrument.

Forrester Tech Marketing Navigator, Q1 2011, completed 15,308 surveys with technology decision-makers with titles that range from C-suite executives, IT executives, and line-of-business technology end users located in the US, Mexico, Brazil, UK, France, Germany, India, China, Japan, and Australia at companies with two to 5,000-plus employees. Forrester weighs the data to reflect distribution of job title, company size, and industry within each country, given firmographics estimated from major databases and Forrester models. This survey is part of Forrester Tech Marketing Navigator and was fielded during November and December 2010. Kantar Media fielded this survey online on behalf of Forrester. Survey respondents received either cash or noncash incentives.

Forrester Tech Marketing Navigator fields two business-to-business technology studies in 11 countries each calendar year. For quality control, we carefully screen respondents according to job title and function. Forrester Tech Marketing Navigator ensures that the final survey population contains only those respondents who have influenced the purchase of IT products and services during the past or upcoming 12 months. Additionally, we set quotas for company size, technology category, geography, and job function as a means of controlling the data distribution.

In addition to sampling error, one should bear in mind that the practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls. Other possible sources of error in polls are probably more serious than theoretical calculations of sampling error. These other potential sources of error include question wording, question ordering, and nonresponse. As with all survey research, it is impossible to quantify the errors that may result from these factors without an experimental control group, so we strongly caution against using the words "margin of error" in reporting any survey data.

We have illustrated only a portion of survey results in this report. For further access to the data results, please contact techmarketingnavigator@forrester.com.

ENDNOTES

[1] Forrester recommends a lead-to-revenue management (L2RM) model and approach that defines processes, goals, and service-level commitments spanning the entire marketing-through-sales process. See the December 22, 2010, "Lead-To-Revenue Management Transforms Tech Marketing" report.

[2] The term "coin-operated" suggests that salespeople are highly motivated by the structure of their sales compensation plans when presenting solutions to customers. Sales management often uses the structure of the sales compensation plan to drive specific sales and revenue objectives.

[3] Forrester research shows that demand management, which is the combination of lead origination and lead nurturing, represents the top segment of expenditures across all sectors and sizes in the tech industry. See the February 1, 2011, "Investing In Tech Marketing, 2011" report.

[4] When business buyers were asked what differentiates a vendor from the competition the most, the top response (34%) was, "the ability to match relevant capabilities to specific client situations." Comparatively, "How well the vendor's capabilities address needs" was only cited by 16% of the respondents. See the March 11, 2011, "Executive Perceptions Of Differentiation And Spending Patterns" report.

[5] In the Q1 2011 US And European B2B Social Technographics® Online Survey For Business Technology Buyers, Forrester asked 1,001 executives who influence technology purchases and adoption to state which information sources influence their decisions when they "identify and scope business needs or build the financial justification for a new IT initiative." See the July 18, 2011, "2011 Social Technographics® For Business Technology Buyers" report.

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