

# How Predictive Lead Scoring Maximizes Sales Impact – An eBook

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## INTRODUCTION

### WHAT IS PREDICTIVE LEAD SCORING AND ANALYTICS

If terms like inbound marketing, leads and funnel are becoming a hot topic for your business, it's time to start talking about lead scoring. Lead scoring is the process of assigning numerical values or points to each lead generated by a business. It's a great tool that helps you evaluate how likely a lead is to convert to a customer. Assigning a score to your leads can be done based on many attributes such as how they have engaged with your website, what information they have provided you, etc. It helps the sales team prioritize its outreach efforts into converting these leads into paying customers.

There are two types of lead scoring – traditional and predictive. In traditional lead scoring, sales teams manually assign scores to leads based on their intuition on how likely they are to convert. This method is rigid and has the tendency to be erroneous. It's over-simplified, depending only on data such as age, gender, job title, salary and past behavior like e-mail opening and click-through. Traditional lead scoring is not based so much on data analysis as it is based on personal experience of the sales team with similar leads; and hence is not exactly accurate, and can lead to over or under qualification of leads.

Predictive lead scoring, on the contrary, employs a predictive analytical model for lead scoring, and analyzes the data from various sources like the CRM, marketing automation platforms, social media etc. to make decisions. The predictive lead scoring method examines both wins and losses of past leads, and maps out predictions on how present leads will/will not turn into qualified leads. The algorithm of predictive analysis is constantly learning and examining new data that comes in, therefore improving minute on minute, enabling better decision-making to score leads.

## KEY BENEFITS OF PREDICTIVE LEAD SCORING

According to Marketing Sherpa, **57% of B2B** companies admit that converting qualified leads into paying customers is their top priority. Predictive lead scoring steps in here by being data-driven and taking the guessing game out of the sales outreach program. It brings in more clarity, accuracy and speediness in processing and reduces communication gaps between the marketing and sales teams. It helps both the teams pass leads back and forth, either for more nurturing or for conversion, instead of abandoning them or toying with them for too long, as may have been the case previously. The benefits of predictive lead scoring include:



- ❖ Increase in marketing effectiveness by assisting in delivery of higher-quality leads, thereby improving sales efficiency.
- ❖ Alignment of sales and marketing teams by obviating disputes over leads, and enabling integrated efforts to warm leads.
- ❖ Elimination of errors arising from human judgment by depending on real data collected and analyzed from different sources.
- ❖ Facilitation of faster evaluation of leads by pulling data from multiple sources—both internal and external, and creating a more comprehensive profile.
- ❖ Growth of business with more data pouring in for analyses that can be leveraged to improve lead scoring and lead conversion rate.



## CALCULATING A BASIC LEAD SCORE

Manual lead scoring is one of the most common ways of calculating a lead score.

- ❖ Start with calculating the lead-to-customer conversion rate of your leads by dividing the number of customers you have acquired by the number of leads you generate.
- ❖ Decide on the different attributes of your high quality leads to include in the lead scoring model. In a manual scoring model, this is mostly a judgment call; but do include suggestions and opinions of your sales teams.
- ❖ Calculate the close rates of each action including info on the person who took the action and how close that person is to your ideal customer profile.
- ❖ Compare individual close rates with your overall close rate. The individual close rates that are higher than the overall close rates should be assigned point values based on their magnitude.



## DO LEAD SCORES HELP YOU IDENTIFY YOUR IDEAL CUSTOMER?

- ❖ Not really. Using the lead scoring system to identify your ideal customer profile is literally working backwards; not something you'd like to do for your business. Scoring leads is a process that begins after you identify your ideal customer. Having well-thought out target customer personas will allow you to customize your lead scoring program to determine the best opportunities right from the beginning. This way, you can utilize your scoring system to better your nurturing endeavor.
- ❖ Identifying your ideal customer depends on many criteria, both explicit and implicit. Explicit information tells you who a person is – potential size, geographical location, purchasing authority, job title, past buys, etc. The implicit data (behavioral in nature) tells you if a person is engaging with your brand via ads, content or website. The more they engage via various mediums like phone calls, chat, email interactions, on-page time, etc., the more they are worthy of your focus. The last, and key criterion, is their disinterest in your brand – low engagement, unsubscribing, long periods of inactivity, low email open and CTR. Based on these three criteria, you can round up your target customer persona exercise.
- ❖ It's after this exercise that your point creation system for lead scoring gets created. Having a ready ideal customer profile while lead scoring will help you put quantifiable valuation to a lead's potential to convert. However, when you want to launch into new verticals or a new market, or you wish to cater to bigger businesses, your lead scores can put you in a fix by scoring leads based on historical data. So even while you expand your ideal customer profile, your lead scores can confuse you by scoring for clients similar to those in your past. This is why it is important to overcome the bias of predictive scoring and training your model to capture some digressions.



## HOW PREDICTIVE LEAD SCORING BRIDGES THE GAP BETWEEN SALES & MARKETING, AND IMPROVES ROI

- ❖ According to Mary Shea, Ph.D., principal analyst at [Forrester Research](#), "If marketing and sales aren't aligned and if they don't collaborate, they will be disintermediated. By buyers themselves who find other ways to get what they need or by more agile competitors."
- ❖ A [CSO Insights study](#) states that 89% of companies that aligned sales and marketing lead generation efforts reported measurable increases as a result of continuous nurturing. We mentioned earlier in this e-book that one of the benefits of predictive lead scoring is the alignment of the sales and marketing teams. Usually the marketing team's primary grievance is that the sales teams ignore leads brought in by them. The sales teams, on the other hand, accuse marketing of





bringing in poor leads that have no potential for conversion. Predictive lead scoring steps in here to analyze the behaviors of past customers, and scores leads without any manual point system, prejudiced personal opinions or team debates—just plain solid data-driven evidence.

- ❖ Predictive lead scoring analyzes the prospects that have progressed through the sales funnel in the past, examining how, why and when they were converted to customers or were expected to become customers. It then studies how each of these prospects engaged with the brand/business—via web pages, email campaigns, social media content, events, etc. This collated data is then used by the lead scoring system to observe new leads, pitching them beside the past data and checking their eligibility for sales engagement in the present. The data examined gets updated minute-by-minute, which means there is no scope for second guessing; only pure studied data that helps prioritize potential customers.
- ❖ Adding predictive lead scoring system to the mix bridges the gap between marketing and sales teams, making both teams more efficient and driven. The system improves conversion rates by enabling the sales teams to go after valuable leads and focus their outreach efforts on those that will result in increased ROI. At the same time, it also assists marketing to retain the not-so-ready leads back with them, so that they can be further nurtured down the sales funnel. By holding back the 'not yet ready for sale' leads for nurturing, the marketing team frees up the sales' time for doing actual sales that will end in revenue.



## USE CASES

- Predictive lead and analytics can be used to optimize and expand the sales and marketing funnel
- ❖ Pull in more inbound leads, accounts and contacts in real-time. Distribute leads suitably across sales teams.
- ❖ Assist in improving the effectiveness of marketing campaigns in targeting and segmentation.
- ❖ Improve marketing qualified leads and help in identifying leads with more potential to convert and increase revenue based on past performance, demographics, psychographics, etc.
- Predictive lead and analytics helps solve B2B sales and marketing challenges
- ❖ Handle less or more number of prospects by determining who fits your ideal customer profile the best.



- ◆ Identify prospects that are the most engaged.  
Improve the quality of leads over time, yet be open to new avenues/markets by taking in constant feedback for past lead scores and learning more patterns.

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## CONCLUSION

A manual scoring system can be time-consuming and erroneous; two negatives that can be completely eliminated with the predictive lead scoring model. A lead scoring model must be open to feedback—it allows the system to “learn and grow”. This is where predictive lead scoring gets a winning point. It gets smarter over time, enabling your lead follow-up strategy to optimize itself. It allows your sales team to stop harassing “leads” that aren’t interested in you, and invest their precious time prioritizing those who are.

Sales executives lose [67% of sales](#) because of their failure to qualify their potential customers before taking them through the full sales process. The predictive lead scoring model changes this scenario by maximizing the sales impact of your business. It transforms how your sales teams function, improves their productivity and boosts their confidence in increasing your business’s revenues. It’s what your business needs if you plan to go big and stay big.

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## RELATED COLLATERALS

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