

LEAD SCORING

What is Lead Scoring?

Lead scoring is the process of ranking a lead's level of interest and sales team readiness, according to a methodology agreed upon by both marketing and sales. Companies can score leads in several ways. For example, companies can use a numerical scoring system, a grading system using letters, or terms like "cold," "warm," and "hot."

Regardless of which method you choose, scoring methodologies should incorporate a combination of many different factors, including demographic attributes, lead source, behavioral attributes, completeness of data profile, and offer. Additionally, you should incorporate budget, authority, need and timeline (BANT) considerations.

“ With the pressure to deliver more high-quality leads, falling into the trap of moving too fast is easy. To maximize momentum from the start, the first step should produce the highest chance of success—such as a time-bound event or a well-targeted customer segment.”

—Lori Wizdo,

Forrester Research, "Take L2RM To The Next Level With A Pivot—From The Funnel to Your Customer," 2018

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 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 faster.

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.

Lead Scoring – Basic Techniques

- Align marketing and sales and work across customer success and product marketing when determining the profile of an “ideal” customer and defining what constitutes a sales-ready lead.
- Work with the customer success team—those closest to customers—to understand buyer profiles (e.g., purchase habits or types of features used/bought).
- 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 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.
- Progression scoring determines how active leads are, and routes them to the best path.
- Use topic-of-interest scores to put leads on distinct nurture paths based on the content topics they are viewing most.
- Recency scoring degrades scores after periods of inactivity.
- Persona scoring routes leads to nurture paths to receive content relevant to their persona.
- Account scoring qualifies key accounts for account-based marketing (ABM) campaigns.

Top Metrics to Measure ROI with Lead Scoring

- Increased conversion rates from qualified lead to opportunity.
- Increased sales productivity.
- Overall accelerated sales cycle for qualified leads.

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 high-scoring leads that did not turn into opportunities. Could scoring be improved so that these types of leads do not end up appearing as a top priority for sales?
- Look at scores by demographic segments like region, title, and company to see if demographic scoring is impacting the score improperly.
- Look at online behaviors to see if the actions of your best leads are adequately reflected in the score.

Demographic vs. Behavior Scoring

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

Behavioral scoring: Lead activities like visiting webpages, 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.

Sample of Scoring

| LEAD SCORE | PRIORITY LEVEL | MARKETING OR SALES ACTION |
|------------|------------------|---|
| 0–15 | Suspect | Nurturing activities by marketing |
| 16–30 | Lead | Move to telemarketing for qualification or nurture with buy-cycle content |
| 31+ | 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” or “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 predetermined 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 lead (SRL) – A lead that is ready for sales interaction, often decided by a lead scoring methodology; the framework by which leads are scored (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.