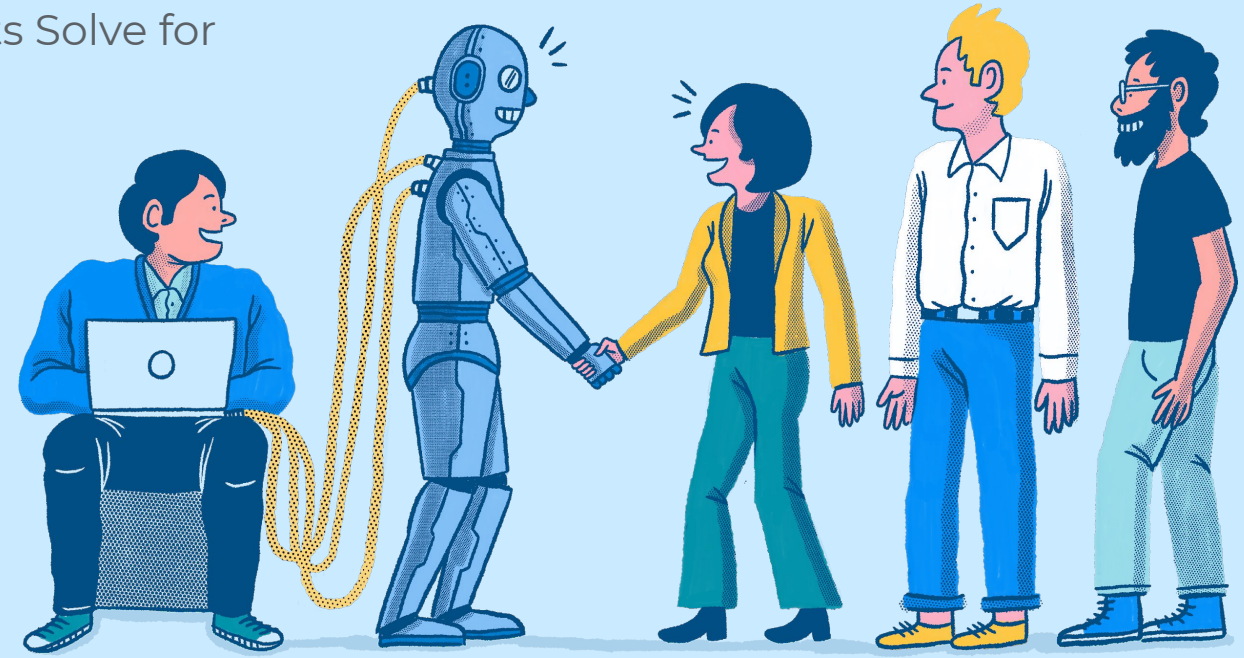
Four Marketing Challenges

That AI Assistants Solve for B2B Companies



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Introduction

The no. 1 problem for marketers is generating enough qualified leads for Sales.

This is essentially a funnel problem. As a marketer, you are finding it difficult to either:

- Convert web traffic and marketing efforts to leads
- Convert enough leads to MQLs
- Generate enough high quality, high-intent, sales-ready MQLs
- Or have your MQLs turn into SQLs that your sales team can work on

You are facing macro headwinds as marketing channels become more saturated, crowded, and competitive. Buyers are also getting more sophisticated, setting the bar much higher for marketing execution.

Take for example, Content Marketing.

Back in 2014, to rank well on Google, you just had to churn out short 500-word articles targeting relevant keywords. Then Google rolled out it's Google Panda algorithm.

Everyone started jumping on to the "content marketing" bandwagon, and adding to the noise.

To even get noticed today, you have to invest in high-quality, authoritative, well-researched 4,000-word (minimum) long-form pieces of content. This is an order of magnitude more expensive than paying a marketing intern to churn out 500-word articles.

What are your company's top marketing problems

Source: Hubspot, The Ultimate List of Marketing Statistics

The no. 2 problem for marketers is proving the ROI of their marketing programs.

In 2017, Todd Berkowitz from Gartner predicted the “death of the MQL”.

More and more CMOs, demand generation leaders, and executive leadership teams are looking beyond MQLs (marketing qualified leads). They want to see attributable revenue generated from marketing programs.

At Saleswhale, we call them 2.0 Marketing-ready companies.

This profound shift from MQLs towards revenue inextricably ties the fate of Marketing to Sales. If you generate a ton of qualified leads, but Sales doesn’t follow-up with them properly, and convert them into revenue -- then your marketing program essentially failed at ROI.

In a similar vein, if you spend lots of resources on generating content, but are not able to attribute pipeline to each piece of content (a whitepaper you spent months on may only end up getting hundreds of downloads), it’s going to get increasingly hard to justify content marketing efforts to executive stakeholders.

> I would get quarterly bonuses based upon bringing in a specific number of leads. I invested in programs that drove leads and I consistently blew past my number. Those leads weren't turning into closed deals and my boss got replaced because he wasn't hitting the growth numbers. My new boss decided he wanted to focus on qualified leads and forced me to use an early marketing automation platform (we couldn't afford Eloqua) that did some lead scoring.
>
> So I did a series of webinars, got massive attendance and drove further engagement through a single email nurture after the call.
>
> **I easily hit my MQL goals, but these didn't convert into new deals either. All of the top of the funnel activity wasn't going to change that in the short run.**

Todd Berkowitz,
Research Vice President, Gartner

Challenge No. 1

Leads slipping into a black hole

Marketing generates leads via multiple channels, such as social media, email marketing, paid ads, field events, and content marketing.

Unfortunately, most leads don't get adequate sales follow ups. According to Ken Krogue, about 71% of inbound leads are wasted. In fact, just 27% of leads get contacted by sales.

It sounds crazy but we've seen it happen with our clients. One of our clients, a Fortune 500 company, generated over 2,000 leads in a quarter and realised that 1,000+ were never touched by sales.

> Businesses are scraping for incremental increases in marketing yields, close ratios, and leverage through technology, yet overlooking a gaping black hole that exists somewhere between their marketing and sales teams.

Ken Krogue

President and Founder
InsideSales.com

As a marketer, you probably spend a crazy amount of effort to increase lead conversion rates by a few percentage points. Testing CTAs, ad copy, segmentation, experimenting with forms etc.

Meanwhile, your sales counterparts are also working hard to boost their closing rates by 5% or 10% through product training, sales methodology, demo drilling, objection handling, sales enablement etc.

Everyone is scraping for that incremental marketing/sales yield.

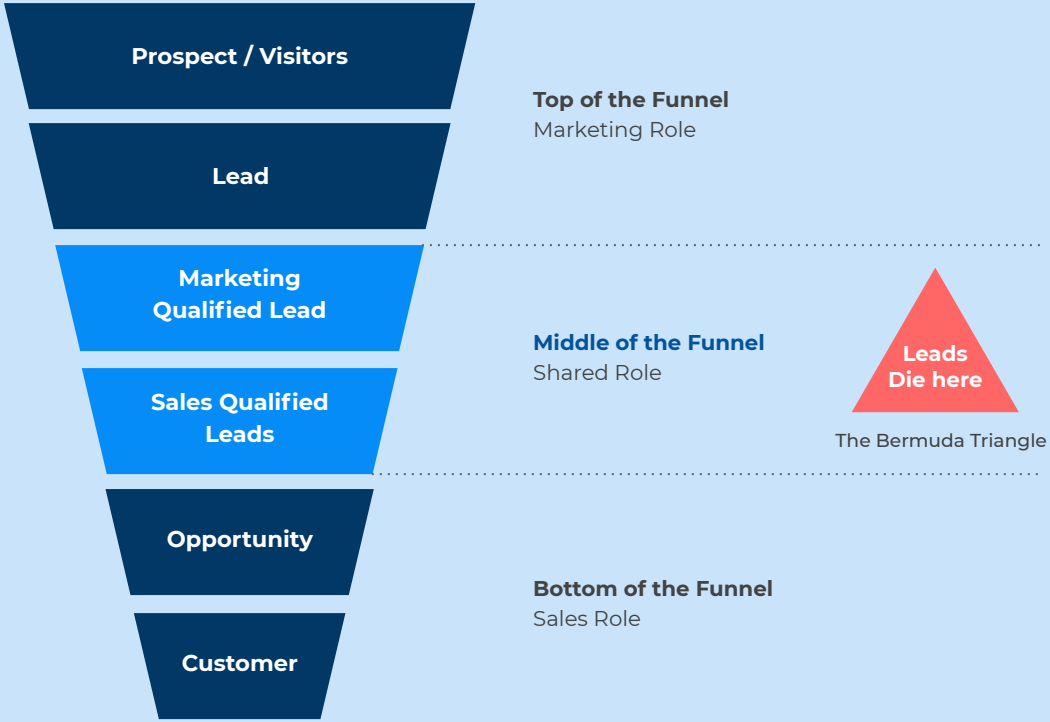
But it's crazy that no one is looking at that Bermuda Triangle where so many leads go to die!

If you're a marketer who cares about marketing's impact on pipeline creation, this is incredibly frustrating.

The marketing budget that you lobbied your CEO for, and fought so hard for, only resulted in 27% of leads generated ever getting spoken to. That's a huge waste in budget and efficiency.

Why does this happen? Are salespeople lazy? Absolutely not!

Leads slipping through the cracks is mostly a structural and alignment issue. Let's deconstruct why.



Challenge No. 2

When sales does not follow up on good leads

“Hey, the leads you gave me - they are not sales-ready. They suck!”

This is a common perception salespeople have towards marketing qualified leads (MQLs).

Let’s look at it from the perspective of a salesperson, Andrew.

Marketing generates 100 MQLs and passes it to Andrew. Marketing assures Andrew that these leads are ICP (ideal customer profile) and qualified. They have tripped some kind of lead score, and showed buying signals by interacting with content or visiting the pricing page.

“We have screened all the tyre-kickers and non-ICP leads out. These are the Glengarry Leads”, Marketing proclaims.

So, excitedly, Andrew blocks out 3 hours - precious hours away from existing customers and sales opportunities. He starts calling and emailing. By the time Andrew gets to the bottom of the list, he has only booked 11 meetings, out of which probably only two will close.

The next month, Marketing hands another 100 MQLs to Andrew.

Same routine, same results. Ten meetings booked. 1 or 2 deals closed.

By now, Andrew is fed up.

When Andrew receives the next batch of leads from Marketing, he’s going to cherry-pick those with nice-looking logos, and dump the rest into the rubbish bin.

Does this sound familiar to you?

According to Marketing Sherpa, 61% of B2B marketers send all leads to sales, but just 27% are actually qualified. However, here's another statistic - which will surprise many sales and marketing people: 45% of B2B leads, people who enquire about a product or service, will eventually buy.

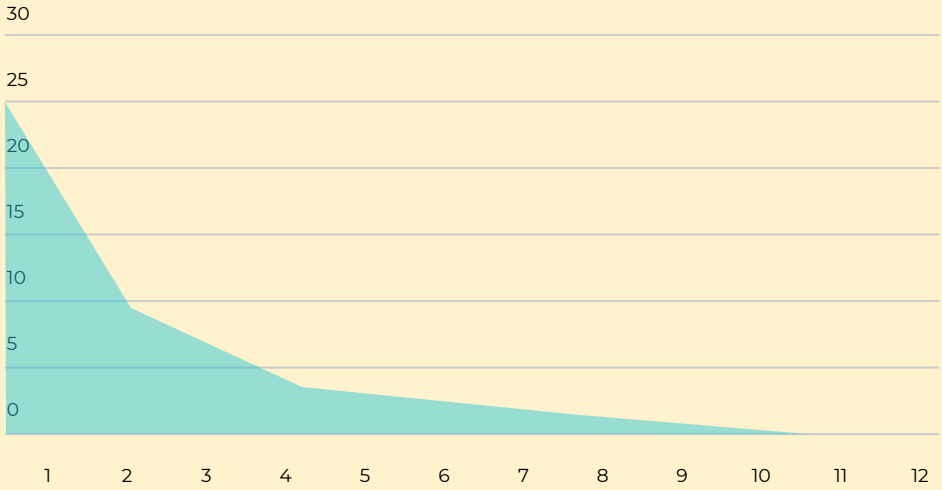
But there are a couple of caveats:

- They do end up buying, but not necessarily from YOU. Let that sink in.
- They do end up buying, but eventually. Not necessarily NOW.

The last point is important to understand.

Salespeople often underestimate how long it takes for qualified leads to turn into sales.

This is how Sales thinks about qualified leads turning into deals



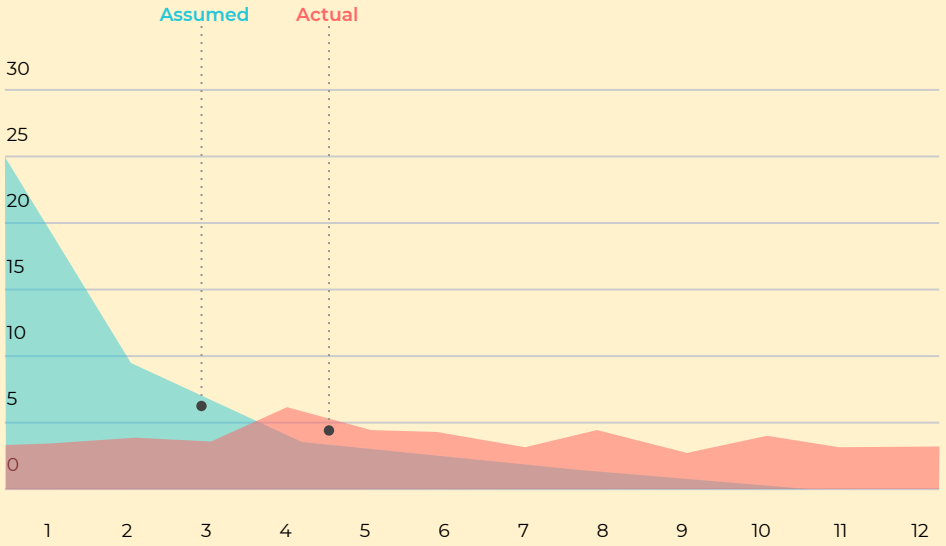
If 45 sales (out of 100 qualified leads) are eventually made, the buying behavior would look like the graph from the previous page. After all, leads do become stale, right?

Wrong.

According to Marketing Donut, 63% of people requesting information on your company today will not buy for at least three months. 20% will take more than a year to purchase.

The actual, real-life behavior, looks more like the graph in red instead.

How qualified leads actually turn into deals



As you saw from the previous graph, the actual purchases from a batch of qualified leads from Marketing are spaced out.

A handful in the first month, another handful in the second month, and so on.

If we were to reason from first principles, it does make sense.

A lead could be anywhere in the buyer's journey when they enquire. Out of 45 qualified leads, maybe only 4-5 will be "sales-ready" at a given point in time. The rest are too early.

As a result, sales reps spend a lot of time chasing, calling, emailing prospects, only to be greeted by silence. Most prospects are simply not ready to speak to sales yet!

But a lead that is not "sales-ready" does not mean that it's a bad lead (so long as they are a fit and ICP).

Throwing out the baby with the bathwater

It's easy to assume that these leads are not serious buyers, and throw the baby out with the bathwater.

Unfortunately, this is exactly what most sales people, like Andrew, do. Believing the leads are "no good", they move on to other seemingly "fresher" leads.

So Andrew never ever gets those 45 sales opportunities. He remains convinced that the leads were lousy, and Marketing is doing a poor job. What happens to those opportunities?

They end up going to your competitors.

Challenge No. 3

The limitations of marketing automation and lead scoring

Most marketing automation tools give you the ability to score your leads in your database.

Lead scoring models are considered essential in modern marketing and sales departments.

The overarching idea of lead scoring is to improve sales productivity. You don't want sales reps to be chasing down every single lead to call, as alluded to in Challenge #2.

According to the State of Sales Productivity Report, sales reps only spend 32% of their time selling.

> Marketing automation is one of those things that's like sex in high school. Everybody's talking about it, but no one's actually doing it... or at least doing it in a way that anyone's satisfied with.

Hana Abaza

VP of Marketing
Uberflip

Lead scoring

Lead scoring is typically introduced when the volume of inbound leads becomes greater than what the sales team, or SDR (sales development team), can humanly reach out to.

Here's a quick primer on it works.

You assign scores to leads based on behavior, interaction and demographics. Once leads pass a certain threshold, they are passed to Sales. The sales team are then expected to contact them.

False positives and false negatives

However, it's likely that two things will happen:

1. Marketing will send over leads who are completely uninterested to talk to Sales (false positive)

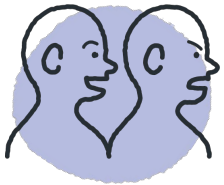
2. Marketing will inevitably fail to send over some leads who are qualified, with a high propensity to buy (false negative)

This may be controversial, but here's what we think:

The whole idea that marketers can design a lead scoring model that correctly scores leads according to their interest to talk to Sales is deeply flawed.

This belief creates a cascade of problems for revenue teams, leading to a net-loss of qualified opportunities for Sales. If you are not careful with lead scoring, you end up running into **endogeneity*** problems which can be insidious and hard to debug.

The word endogeneity is just a fancy word for having variables in your model affected by unforeseen variables.



Binary scoring

If we filter by only leads that are a good fit (demographic and ICP-wise) -- then you realize there are two kinds of leads that really matter:

1. Leads that are willing to talk to Sales

2. Leads that are not willing (or not ready) to talk to Sales

If we can somehow take away the human & manual effort of reaching out to every lead: let's suspend disbelief and assume this is possible - you realise that leads will sort themselves into two groups: hand-raisers, and non hand-raisers. This is Binary Scoring.

Handing over "hand-raiser" leads to Sales

We hand over the leads who are ready for a sales conversation immediately over to Sales.

We continue to nurture the leads who are not ready for a sales conversation, and reach out to them again after 90 - 120 days.

Across our entire customer base of hundreds of sales & marketing teams, we have consistently seen a lift of 30% to 250% of lead-to-opportunity conversion rate (and huge savings in Sales' time) for teams that transitioned over to a Binary Scoring model. Of course, this probably doesn't answer the nagging question that you have now:

"How do I reach out to every single lead, and ascertain if they are ready to talk to Sales? How do I sort the hundreds, or thousands, of responses and deal with each one appropriately? How can I do this at scale?"

We will answer these questions in the latter half of the eBook.

Challenge No. 4

The downsides of staffing up with BDRs / SDRs to qualify leads

Some sales and marketing teams employ BDRs (business development representatives) or SDRs (sales development representatives) to pre-qualify leads before sending them over to more senior sales reps or account executives.

These BDRs are typically junior, entry-level employees - most of them fresh out of college. At first glance, this approach appears to solve most of the challenges above.

This frees up your sales team to spend more time selling to customers, instead of qualifying and chasing down leads.

Despite the flaws to this approach, this specialization in roles has become “accepted wisdom” in most modern sales and marketing organisations.

The benefits of having BDRs and specialising into “qualification” and “closing” roles, outweigh the downsides of not having this layer.

Companies like Salesforce used this strategy to great effect, propelling them to phenomenal growth in the early 2000s.

However, you are probably not Salesforce, and this is not the early 2000s.

There are some severe challenges and downsides to this strategy, namely:

1. Burnout
2. Cost
3. Culture & Management Overhead

Burnout

Setting qualified meetings for sales people is often referred to as the “hardest job in sales”.

> “Spending 100% of your time calling, emailing, and cold prospecting is a brutal way to spend all day, every day. You have to deal with the fact that most people don’t pick up the phone and that most people who do pick up say “no.” Almost all of your emails will not be replied to. Most of your replies will be a “no” as well.”
>
> **Jonathan Vaudreuil**
> Director of BD, InsightSquared

Being a BDR is the hardest job in sales because you’re doing the dirty work for someone else. This creates a high likelihood for burnout - and when BDRs end up leaving just after a few months, it can be costly in both morale and hard costs.

Cost

The average base salary for a BDR/SDR is $40K to $50K (closer to upper bound if you are in San Francisco). This is BEFORE commission or OTE (on-target earnings).

That’s not all.

Once you factor in the fully burdened costs to run a proper BDR / SDR program, including managers, training, equipment, recruiting costs, office space, benefits, perks, taxes, insurance, etc., most companies are looking at costs approaching $115,200 / year.

And that’s just for one BDR / SDR.

Meanwhile, the typical BDR quota for setting qualified meetings for sales range from 4 - 12 meetings per month. Assuming each BDR sets 8 meetings per month, that's $1,200 per meeting.

BDRs take time to ramp. And you will incur a significant chunk of these costs even while they ramp. This is where the burnout factor mentioned above comes into play. If a BDR ends up burning out just a few months after they start, *eso está muy mal (*that's too bad).

Culture & Management Overhead

We had a customer who built their business by hiring over 100 SDRs / BDRs. They would recruit them fresh out of college, starry-eyed and hungry.

Each SDR was given a laptop, a phone, and a quota to hit. If they didn't make their quota, they were mercilessly culled.

Career advancement was limited - there were only so many open slots for senior sales roles.

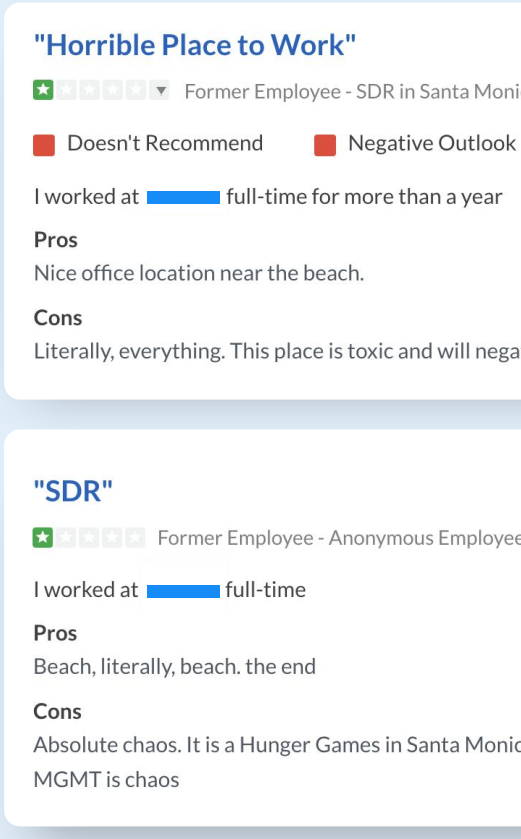
Everyone of those 100 BDRs were vying for those limited open roles. It was like the Hunger Games - kill or be killed.

Management overhead and cost to culture

The management overhead to manage a large cadre of BDRs is not trivial. You are looking at one manager per 6 to 8 BDRs, and one director per 3-4 managers.

This can have severe ramifications throughout your organisation. If allowed to spread unbated, it can become toxic and slowly poison your organisation from within.

And of course, if this affects your word-of-mouth, eNPS or Glassdoor reviews, it can have negative downstream effects on your ability to attract even non-sales talent (like engineering, marketing etc.).



The case for AI Assistants

The recurring issues above highlight the challenges that arise from over-relying on marketing automation or throwing human bodies to solve lead qualification and lead conversion problems.

These challenges are grudgingly accepted as a necessary evil by most marketing and sales teams. They have become part of the status quo. Because, up until recently, there hasn't been an alternative.

A new hope

Over the last decade, AI and automation technology have been rapidly maturing, specifically in the natural language processing (NLP) subfield.

In 2020, modern AI assistants leverage advances in AI and NLP technology to work alongside their human counterparts -- automating away tedious tasks that are ill-suited to humans. So humans can focus on higher value work.

> I really love our Saleswhale AI assistant! She's the MVP on our sales and marketing team. Ever since we activated her, we have received more qualified leads and enquiries than before.

Roy Lee

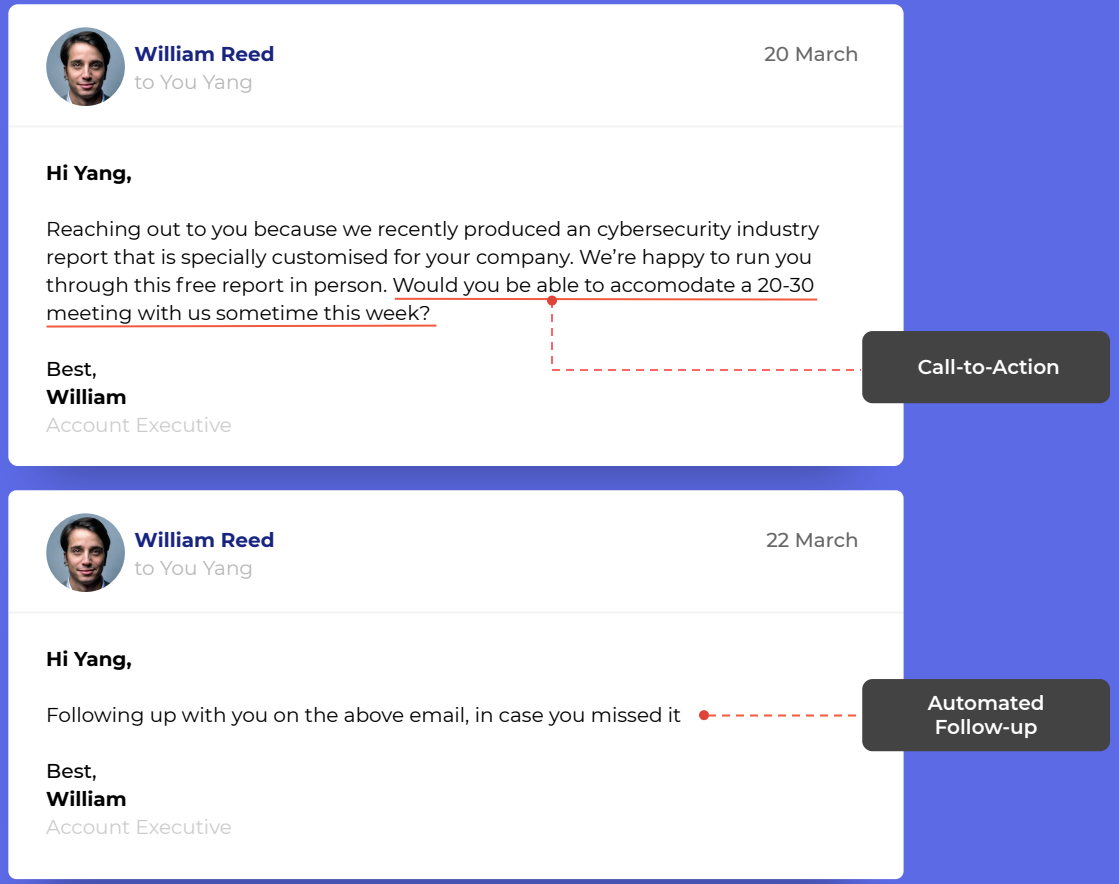
Account Manager
UNIT4

What's an AI Assistant, really?

AI sales assistants are tools that help marketing managers and salespeople automate tasks using machine learning and artificial intelligence.

These tasks include lead qualification and follow-up, meeting scheduling, data collection/entry, and predictive demand forecasting. Saleswhale (that's us!) deploys AI sales assistants that qualify, engage, and convert leads at scale.

Here you can see how the AI assistant sifts out a sales-ready, "hand-raiser" lead through email:



More information required

You Yang
to William Reed

22 March

Hi William,

Can you send me more info about it?

Best,
Yang
Marketing Director

Qualification
Qualification to send more info on report

William Reed
to You Yang

22 March

Hi Yang,

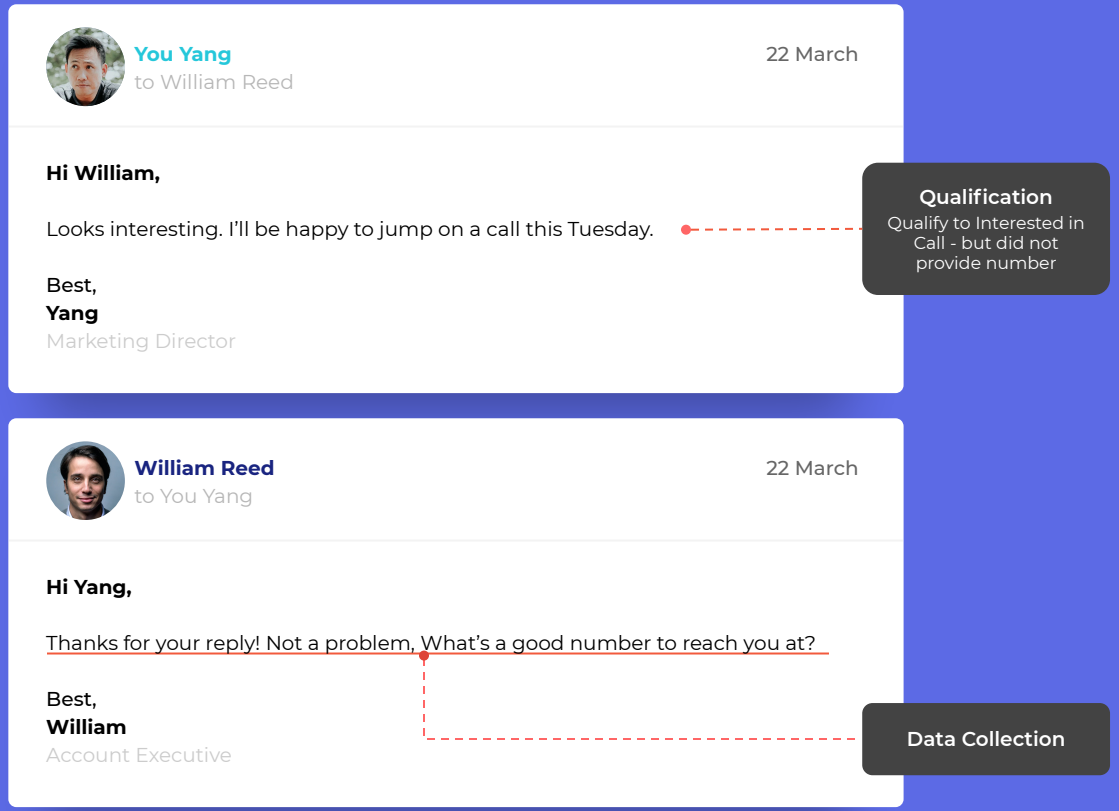
Sure. I've attached the PDF below, hopefully you find it useful! I love to go over some insights specific to your business. Do you have time this week or next?

Best,
William
Account Executive

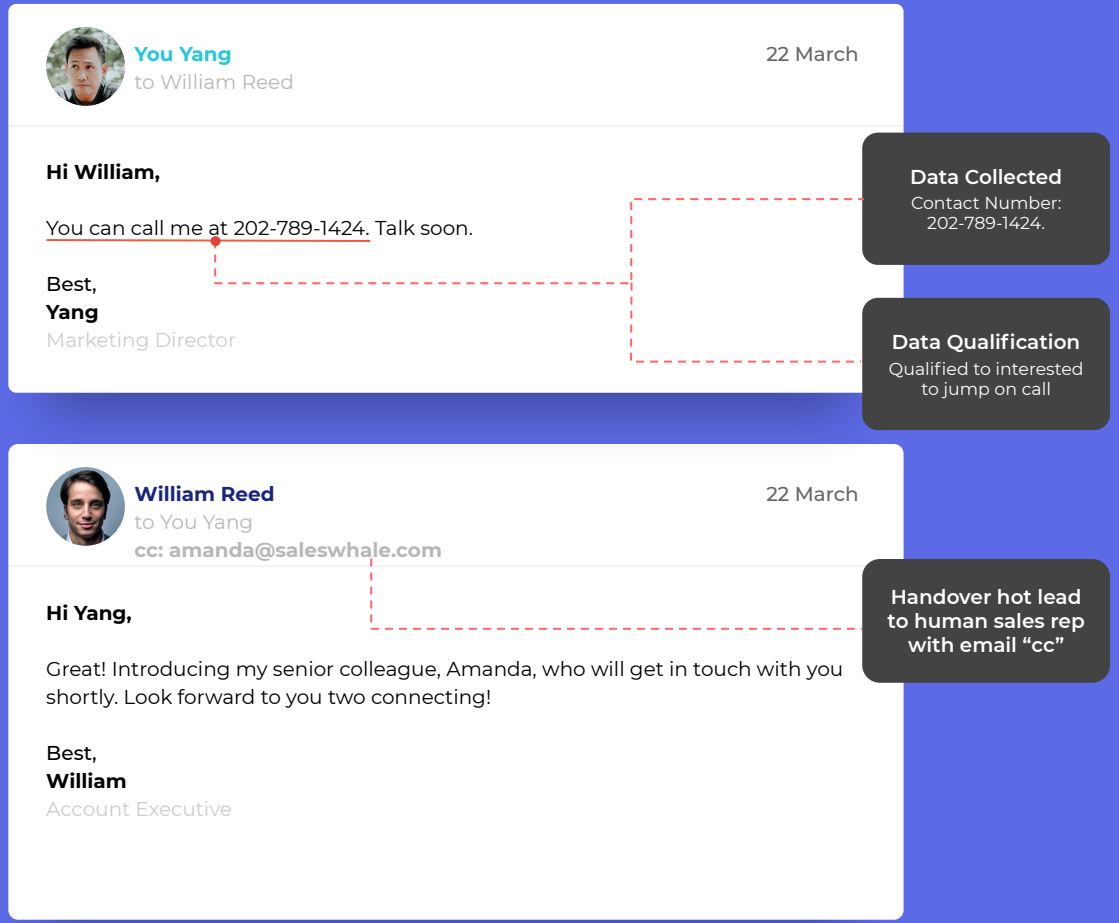
Branded Company Report.pdf

Document attachment

Call Confirmation



Meeting Confirmation



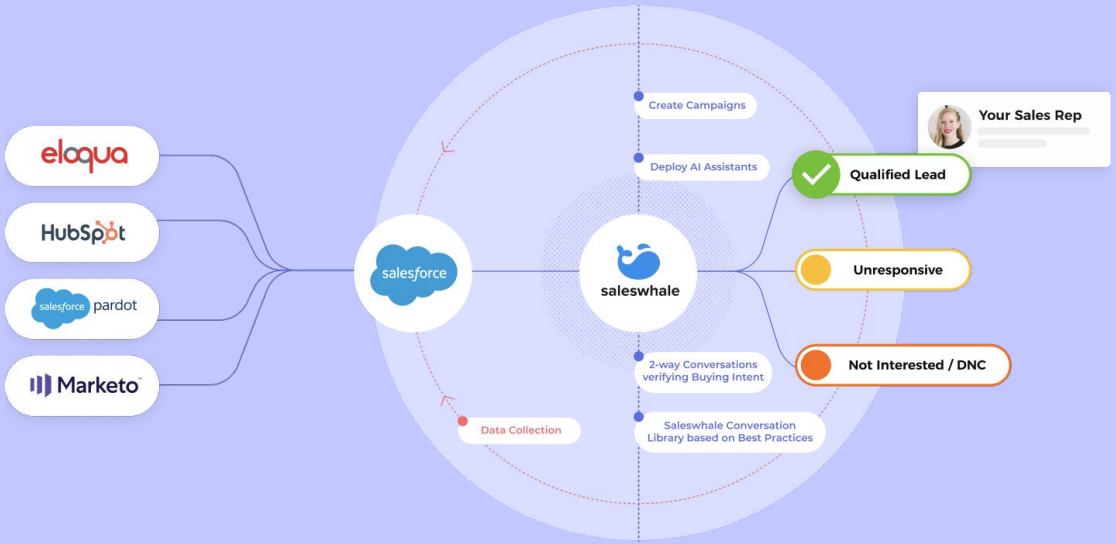
How does it work?

At Saleswhale, our AI assistants are powered by the following machine learning and natural language capabilities:

1. **Intent analysis and classification for email replies:** this is how we decide which paths to route the conversations down

2. **Data collection:** automatic extraction of phone numbers, follow-up dates and named entities from conversational exhaust

3. **Thematic analysis** to analyze replies and extract, for example: rejection reasons and topic clustering



AI assistants solve very specific gaps in today's B2B marketing and sales teams – the 4 major challenges and gaps that we mentioned above.

> "In case you're worried, AI assistants aren't a replacement for human sales reps or SDRs. Nor are they intended to replace any of your existing processes or marketing automation tools.
>
> **Gabriel Lim**
> CEO of Saleswhale

How AI Assistants can help with Challenge No. 1: Leads slipping into a black hole

An AI assistant can help rescue leads which fall into the Lead Bermuda Triangle.

AI assistants are especially organised and disciplined at re-engaging leads that have languished in databases for ages, and reigniting lost sales opportunities.

Our client, Randstad, had tens of thousands of stale leads generated over the years through content marketing, webinars, and events. These leads slipped through the cracks - their sales team had no time and bandwidth to reach out to these leads.

Within eight weeks of Randstad deploying an AI assistant to re-engage just 2,000 of those old leads, here's what happened:

36%
of old leads responded

314 leads
agreed to be contacted by their sales team

144 leads
out of 314 of these qualified leads turned into actual sales meeting

> **With Saleswhale, we were able to generate 2.5x more meetings for our Client Solutions team – making it the best tool in closing the gap between Sales and Marketing**

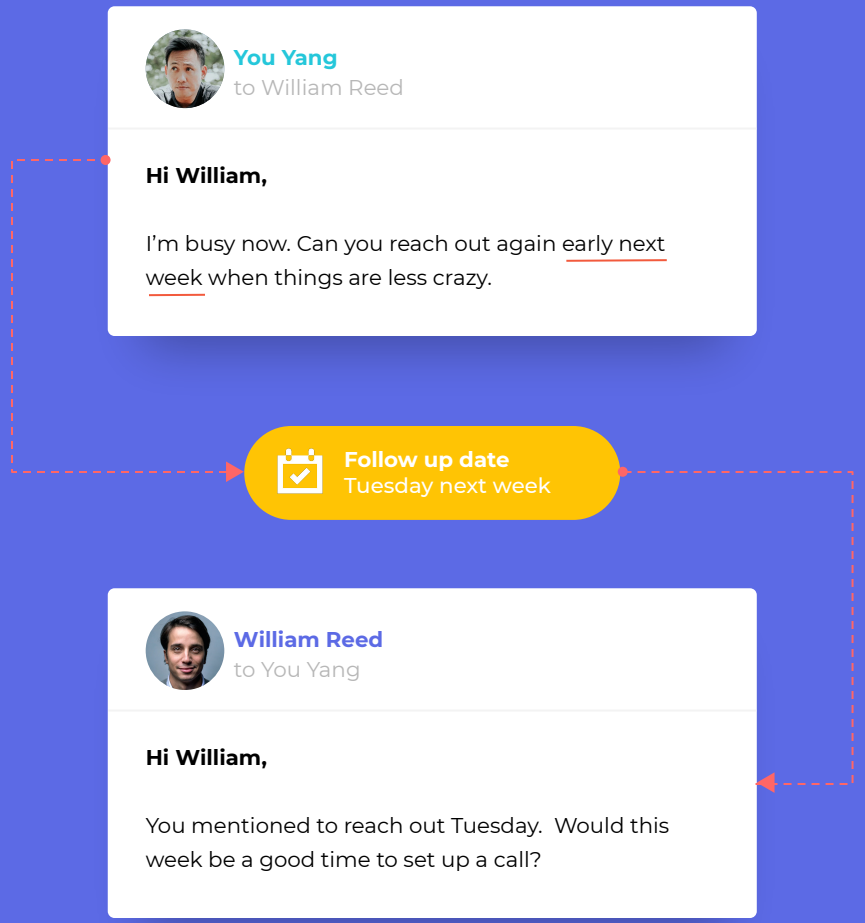
Rena Tan
Regional Marketing Director
Randstad, SEA

How AI Assistants can help with Challenge No. 2: When sales does not follow up on good leads

We ended the Challenges section with an unresolved question:

> “How do I reach out to every single lead and ascertain if they are ready to talk to Sales?”
>
> “How do I sort the potentially hundreds, thousands, of responses that come in and deal with each one appropriately? How can I do this at scale?”

An AI assistant can easily handle thousands of conversations simultaneously, remembering conversation context and follow-up actions without missing a beat.

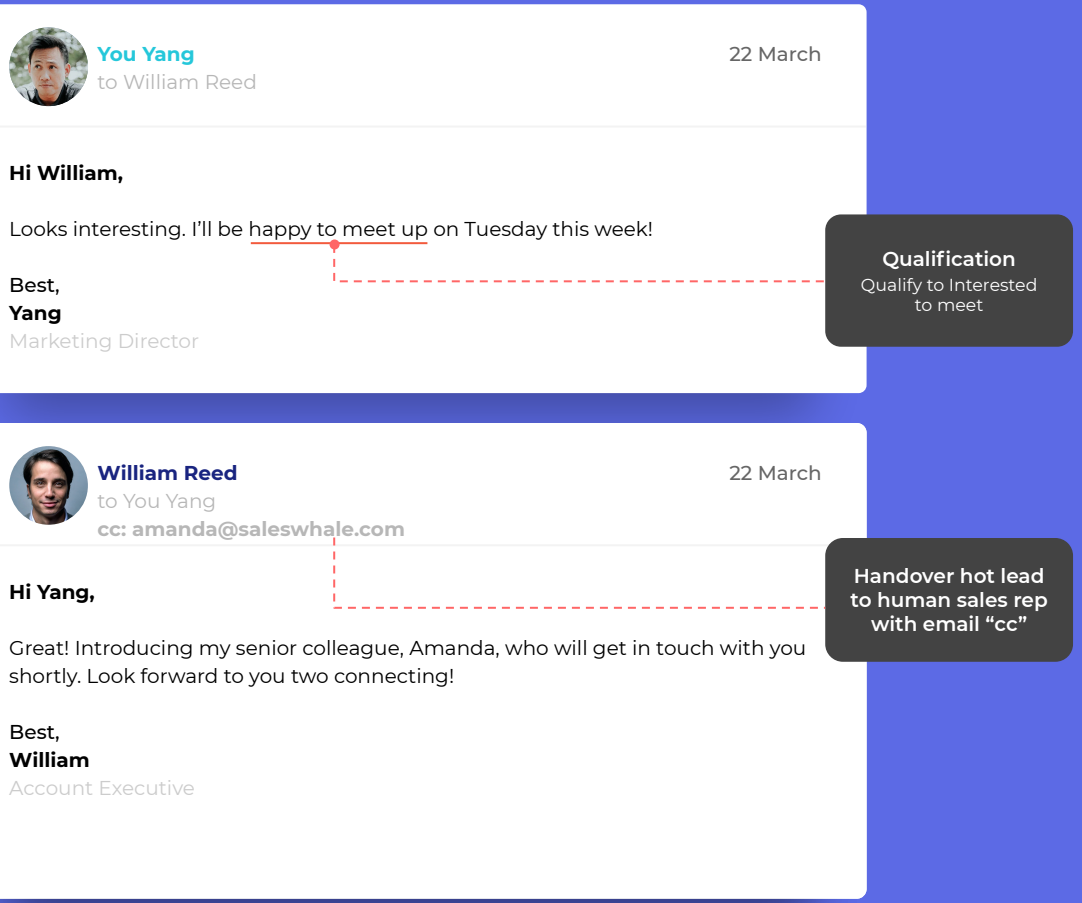


The idea is to only hand over “hand-raiser” leads who are ready for a sales conversation to Sales.

Lead recycling and “Return to Marketing”

The rest of the leads will be returned to marketing automation tools like Marketo or HubSpot for further nurturing.

The AI assistant will automatically continue to reach out to unresponsive leads again after 60 - 90 days to re-engage them.



Saleswhale's AI assistants have helped over 200 companies, such as Zendesk, Nutanix, ON24, UNIT4 and Cisco achieve a 30% to 250% lift to lead-to-opportunity conversion rates.

That's not all.

Most revenue teams also report the second-order effect of saving huge amounts of time for the Sales team on sorting through and sifting out "sales-ready" leads ready for a sales conversation.

"We implemented Saleswhale in our organisation as our team were struggling with the amount of MQLs hitting their desks. One of our campaigns alone has a MQL to SQL rate of 5% and a time saving of 55 hours a week. Saleswhale has become an invaluable part of our team and we look forward to seeing how we can use it more in the future.

Ornaith Killen
Marketing Manager
ON24, EMEA

How AI Assistants can help with Challenge No. 3: The limitations of marketing automation and lead scoring

In Saleswhale, we believe in the concept of “every lead in motion”.

Every single lead that enters your marketing funnel should be constantly in motion – towards one desired outcome: becoming sales-ready.

Every lead in motion

Either a lead opts-out, gets disqualified, or they are constantly moving towards becoming ready to hand over to the sales or SDR team.

Hence, to Saleswhale, every lead that is not actively engaged by your sales or SDR team has only two meaningful states:

- Sales-ready
- Not sales-ready

If you use marketing automation, or do lead scoring, here’s how Saleswhale can work in tandem:

Let your sales reps reach out to the best-tiered, hottest, leads.

Route the rest to your AI assistant.

After a certain SLA (service-level agreement), recycle unresponsive leads back to Marketing, for the AI assistant to engage.

Your AI assistant can also be used to fine-tune your lead scoring model as well. Are your D-tier leads truly garbage?

For one of our clients, a global subsidiary of a public company, they ran a campaign that routed all their D-tier leads to their Saleswhale AI assistant.

Verifying the lead model

These are the leads that no sales person in their right mind would want to call.

The results blew them away.

The AI assistant managed to engage 34% of these "bottom-of-the barrel" leads. And generated more than 30 bona-fide sales opportunities that led to closed-won deals.

20.73%

Open Rates for Marketing Automation

2-5%

Click Through Rates for Marketing Automation

N/A

Passed To Sales Rate (“Hand-raiser” Leads) for Marketing Automation

73.8%

Open Rates for Saleswhale AI Assistants

36%

Engagement Rates for Saleswhale

4.8%

Passed To Sales Rate (“Hand-raiser” Leads) for Saleswhale

*Source: https://mailchimp.com/resources/email-marketing-benchmarks/ & Saleswhale State of Engagement 2019

How AI Assistants can help with Challenge No. 4: The downsides of staffing up with BDRs / SDRs to qualify leads

An AI assistant doesn't quite replace the need for a BDR/SDR team. But it does make their lives much easier.

The AI assistant and BDRs can work in tandem.

The AI assistant automates the follow-up for leads that are not sales-ready enough. The BDRs focus on chasing down and qualifying the best-fit leads.

This prevents the need to scale up your BDR team linearly as your volume of leads increase.

Remember, your AI assistant is immune to the 3 challenges of a purely-human BDR strategy:

1 Burnout

Your AI assistant can work 24/7 - qualifying thousands of leads per month without breaking a sweat. She doesn't complain, go on leave, or get psychologically affected by the litany of rejections.

2 Cost

The cost of a single AI assistant is a fraction of a fully-loaded human BDR. You can scale her capacity elastically up and down, depending on seasonality, without incurring "idling" costs like a human employee would.

3 Culture & Management Overhead

An AI assistant is just happy to be deployed. She would never gossip, bad-mouth her managers or colleagues, or write negative Glassdoor reviews ("I spend all day qualifying leads, it's mundane and boring!").

Most importantly, deploying an AI assistant helps prevent you from burning out your BDR team.

The story of Unit4

Let's look at one last real-life case study.

This is the story of a company that successfully achieved a huge business outcome by deploying an AI assistant.

UNIT4's marketing team generates thousands of leads a month from content, events, and other channels.

They had four business development reps (BDRs), who were at full capacity following up with these leads.

While their lead scoring system did filter numbers down slightly, they were faced with two issues:

1. BDRs were cherry picking leads subjectively and missing good opportunities.

2. Only A-tier leads were being worked on by the BDR team. All other leads were left to marketing automation to passively nurture.

Elena Sanchez, Head of Marketing, wanted to improve the efficiency and output of her team's lead engagement and qualification processes.

Before Saleswhale, UNIT4's team could handle around 150 leads a month out of the 1,600 leads total that were coming in monthly.

After Saleswhale, Elena's team now engages every single one of the 1,600 leads that come in monthly (courtesy of their new AI assistant colleague!).

A 10X increase in total number of leads successfully engaged in back-and-forth conversations.

This directly led to another 324 more sales opportunities delivered to the sales team within half a year. The directly attributable sales pipeline created was measured in the tens of millions of dollars.

Now, the team no longer worries about leads slipping through the cracks and losing sales opportunities.

Converting Sales into fans of Marketing

Unit4's sales team is also impressed with the qualified leads they've received from marketing.

Their favourite part of the day? Coming to work in the morning to find hot leads in their email inboxes, ready for a sales conversation.

> **After Saleswhale, we were able to make sure every single one of the 1,600 leads received follow ups.**
>
> **This directly led to another 324 more sales opportunities delivered to the sales team within half a year.**

Elena Sanchez
Head of Marketing
Unit4, APAC

About Saleswhale

At Saleswhale, we deploy AI assistants that qualify and convert leads at scale. Our AI assistants initiate email conversations with leads, and are particularly good at re-engaging forgotten leads languishing in databases, and reigniting lost sales opportunities.

When a lead “raises their hands” and becomes sales-ready, our AI assistants will automatically route the lead to human sales reps.

To understand the use-cases for Saleswhale AI assistants better, check out the solutions brief on the top use-cases B2B marketing teams use Saleswhale for.

saleswhale