

Who's fast wins – the importance of speedy response to sales leads

Research recently published in the Harvard Business Review highlighted the importance of speedy follow-up in lead generation programmes.

“Firms that tried to contact potential customers within an hour of receiving a query were nearly seven times as likely to qualify the lead as those that tried even an hour later.”

– **The Short Life of Online Sales Leads** by James B. Oldroyd, Kristina McElheran, and David Elkington, 2011

According to Oldroyd, McElheran and Elkington's research, the time taken to respond to an online sales lead has a massive impact on the probability of converting the lead. The research, which analysed 1.25 million sales leads received by a mix of B2B and B2C companies in the U.S, found that 'firms that tried to contact potential customers within an hour of receiving a query were nearly seven times as likely to qualify the lead (which we defined as having a meaningful conversation with a key decision maker) as those that tried to contact the customer even an hour later – and more than 60 times as likely as companies that waited 24 hours or longer'.

The authors also highlighted a separate study, which found that the average response time to online sales leads from over 2,000 companies they surveyed was 42 hours. Put those two pieces of information together and it's clear that businesses are wasting an awful lot of money on generating online leads that they then fail to follow up effectively. Corporate spending on online lead generation was estimated at \$22.7 billion in 2009, and it's still growing strongly.

This has obvious implications for any vendor or distributor that's investing in lead generation campaigns for the channel, whether that's centrally managed or partner managed and MDF-funded. Given the way that many channel lead generation campaigns are set up and administered, it wouldn't be surprising to find that the average response time in the channel is even longer than the average 42 hours quoted by the HBR article, which means a lot of wasted marketing budget.

It's clear that with speed of response being so vital in determining the effectiveness of lead generation activity, it should be a key metric that anyone designing or managing such a campaign is focused on.

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Vendors and distributors need to ensure that distribution of leads is automated as far as possible so that any delay is measured in milliseconds rather than hours or days. When an hour's delay can reduce the likelihood of conversion by a factor of seven, having a hot lead sitting unattended to for a few hours while someone's at a meeting or out at lunch just won't do.

I'd also suggest that a key criteria for determining who leads are distributed to, should be the partner's ability to respond quickly, rather than their location, who's turn it is, or who's currently flavour of the month. Asking partners to commit to certain 'service levels guarantees' relating to lead follow up doesn't seem an unreasonable requirement in return for participation in a lead gen programme, or access to MDF. Of course that may require some investment in systems to enable leads to be properly tracked, but given the figures quoted in the research, that's an investment that should pay for itself pretty quickly.

The good news if you're a vendor or distributor sitting there wondering how you can drive more sales, and you're pretty sure that a lot of the leads you generate aren't being followed up quickly, there's an opportunity to significantly improve ROI by working smarter, rather than throwing loads more marketing budget at the problem.

About OneGTM

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