OVERVIEW

Generally speaking, the study was focused on identifying WHEN the best time was to efficiently contact web-generated leads, and HOW to generate web leads that qualify and close at optimal rates.

Several interesting patterns emerged from an analysis of the data that offer clues on how best to generate, capture, route, manage and respond to web-generated leads in order to optimize lead qualification rates and sales close rates.
BACKGROUND

LEAD MANAGEMENT SURVEY - OCT 2007

Anne Holland, founder of MarketingSherpa, invited us to the Business-to-Business 4th annual Demand Generation Summit to share the answers we have found to the following question:

“How Much Time Do You Have Before Web-Generated Leads Go Cold?”

Due to the lack of existing research on this topic, we had previously contacted Professor James B. Oldroyd, who was completing his PhD dissertation at Kellogg University’s Management and Organizations Department, to help us design and carry out a new Lead Management survey that would provide answers to this question.

Not feeling the survey adequately answered the question, we sought out Dr. Oldroyd again after he had taken a position as a Research Fellow at the Sloan School of Management at Massachusetts Institute of Technology and asked him to study this question more intently.

During this same time frame we worked closely with FranklinCovey on a case study meant to answer a similar question. (See the brief recently published on this by Sean Donahue of MarketingSherpa.)

This paper seeks to summarize key results from the survey, study, and case study:

- Dr. Oldroyd’s Lead Management Survey.
- Professor Oldroyd’s and InsideSales.com’s collaborative Lead Response Management Study performed while Dr. Oldroyd was at MIT.
- InsideSales.com and FranklinCovey Case Study designed to determine the optimal time to call back individuals who abandon an eCommerce transaction in the middle of a shopping cart process.
Companies are spending a significant amount of their marketing budgets on tools designed to increase their ability to generate leads over the web and optimize their sales representative’s ability to close those opportunities.

However, companies often use intuition to generate, capture, route, manage and respond to the leads that marketing organizations generate through the web. Intuition is often incorrect. As such, there is an opportunity to help bring science to the field of lead response management.

To understand what is currently happening in companies today in this new area, Dr. Oldroyd performed a survey of marketers and sales managers to identify which organizations are having success and how they are achieving it.

Over the course of four months (June to September 2007), Dr. Oldroyd received 495 responses from companies that drive web leads to their web sites. The surveyed group represents over 40 industries.

The survey was primarily responded to by sales or marketing managers/executives and represents a broad distribution of every company size (ranging from “under $10 million in annual revenue” to over “$1 billion in annual revenue.”) The survey audience consisted primarily of companies that are headquartered in North America (USA, Canada, Mexico).

22 survey questions focused on the following issues:

1. What are the antecedents that drive the highest qualification and close rates?
   a. Which marketing methods are most effective in driving visitors to company’s websites?
   b. Which website offers compel visitors to enter their information into a web form?
   c. What methods used to assign and distribute web leads to sales and lead qualification representatives are most effective in driving qualification rates?
   d. How do the tools used to capture and deliver leads to sales and lead qualification representatives impact qualification rates?

2. How frequently should a sales or lead qualification representative call a web lead to drive the highest qualification and close rates?
   a. How the number of attempts until a web lead is contacted impacts the firm’s qualification and close rate.
   b. At what point should the firm abandon contact attempts?

3. How do industries differ regarding the response times to web leads to drive highest qualification and close rates?

4. What time frame is best to call web leads to drive the highest qualification and close rates?
   a. What time of the day is best to call a web lead?
   b. Which day is the best day to call a web lead?
   c. What length of time should the firm wait before calling a web lead (time from the time a lead was created)?
Generally speaking, the study was focused on identifying **WHEN** the best time was to efficiently contact web-generated leads, and **HOW** to generate web leads that qualify and close at optimal rates.

Several interesting patterns emerged from an analysis of the data that offer clues on how best to generate, capture, route, manage and respond to web-generated leads in order to optimize lead qualification rates and sales close rates.

**HOW DO YOU GENERATE WEB LEADS AND CLOSE AT OPTIMAL RATE?**

To answer this question, Dr. Oldroyd conducted an analysis of which antecedents to generating leads drive the highest qualification and close rates and which processes are most effective in distributing the leads to sales and lead generation representatives.

The study design allowed a focus on both positive and negative relationships between the antecedents and processes, and their correlation on qualification and close rates of the companies in the survey. The table below summarizes some of the key findings and their correlation with qualification and close rates:

In the table below, a ‘+’ sign indicates this method increased qualification and close rates, a ‘−’ sign indicates a negative effect on qualification and close rates, a ‘~’ sign indicates this data bordered on just barely being statistically significant. If nothing is indicated there were no statistically significant relationships in that data. (The appendix has the list of methods we surveyed.)

**Antecedents to generating leads:**

**DEMAND GENERATION**

<table>
<thead>
<tr>
<th>QUALIFICATION RATES</th>
<th>CLOSE RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• SEARCH ENGINE OPTIMIZATION (+)</td>
<td>• SOCIAL NETWORK MARKETING (+)</td>
</tr>
<tr>
<td>• PAY PER CLICK (−)</td>
<td>• PAY PER CLICK (−)</td>
</tr>
<tr>
<td>• OUTBOUND TELEMARKETING (−)</td>
<td></td>
</tr>
</tbody>
</table>

**OFFER TYPES**

<table>
<thead>
<tr>
<th>QUALIFICATION RATES</th>
<th>CLOSE RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• PRICE QUOTE (~+)</td>
<td>• PRICE QUOTE (~+)</td>
</tr>
<tr>
<td>• VIDEOCAST (+)</td>
<td>• E-BOOK (+)</td>
</tr>
<tr>
<td>• WHITE PAPER LIBRARY (−)</td>
<td>• PODCAST (+)</td>
</tr>
<tr>
<td></td>
<td>• CLICK-TO-CALL (+)</td>
</tr>
</tbody>
</table>
Processes to distribute leads to sales and lead generation representatives:

<table>
<thead>
<tr>
<th>CAPTURING LEADS</th>
<th>CLOSE RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUALIFICATION RATES</td>
<td></td>
</tr>
<tr>
<td>• EMAIL (“MAIL TO” LINK) (+)</td>
<td>• EMAIL (“MAIL TO” LINK) (+)</td>
</tr>
<tr>
<td>• WEB FORM TO EMAIL (–)</td>
<td>• WEB FORM TO EMAIL (–)</td>
</tr>
<tr>
<td>• WEB FORM TO PHONE (–)</td>
<td></td>
</tr>
<tr>
<td>• WEB FORM TO DATABASE (–)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEAD ROUTING</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>QUALIFICATION RATES</td>
<td></td>
</tr>
<tr>
<td>• SKILLS-BASED LEAD ROUTING (+)</td>
<td>• SKILLS-BASED LEAD ROUTING (+)</td>
</tr>
<tr>
<td>• CONTACTING VIA FAX (+)</td>
<td>• EMAIL ROUTING OF LEADS (+)</td>
</tr>
<tr>
<td>• CONTACTING VIA CHAT (+)</td>
<td>• PHONE ROUTING OF LEADS (–)</td>
</tr>
<tr>
<td>• GEOGRAPHICAL BASED LEAD ROUTING (–)</td>
<td></td>
</tr>
</tbody>
</table>

WHEN DOES A LEAD GO COLD?

HOW DOES EFFICIENCY IN CONTACTING IMPACT QUALIFY AND CLOSE RATES?

Companies intuitively understand that speed is likely to improve qualification and close rates. Moreover, they understand that greater efficiency in responding to web-generated leads allows them to contact more leads with less effort. A portion of the study sought to find evidence for these effects.

The effect of time and efficiency on both qualification and response rates was striking.

1. The speed of first attempt (time to first dial) to a newly generated web lead correlated with a significant increase in the number of qualified leads. For each tier of delayed response in the survey question (for instance, responding in 30 minutes rather than 10 minutes) the percent of leads qualified dropped 4.3% and close rates fell nearly 2% (see: the different tiers in the survey question in ‘the TIME it takes to make first contact’ question in the Appendix).

2. Similarly, an increase in the number of unproductive call attempts (4 attempts rather than 3 attempts) correlated with a decreased lead qualification rate and close rate. For every additional call attempt that did not lead to a contact, the lead qualification rate dropped 5% and the close rate dropped nearly 1.5% (see: ‘# of attempts to CONTACT’ question in the Appendix).

3. In addition, there is a multiplicative negative effect when combining slow speed and unproductive call attempts. Companies with poor performance on both dimensions experience accelerated negative performance at a rate of an additional 1% point decrease for each level. An improvement of just one level on each dimension would increase qualification rates by about 11% and close rates by about 5%.
4. Delay and inefficiency in contact time (as opposed to time to first attempt) had an even more pronounced effect. A delay in contact time reduced the qualification rate by 4.7% and inefficiency in dials (dials to contact) reduced the lead qualification rate by 4.41%. But companies that do both badly experienced an additional 4.35% penalty. All together this is about a 13% lower qualification rate for each category of movement. If a company is able to cut the number of attempts to contact from 3 to 1 and the time from 30 minutes to 10 minutes they would realize a dramatic 26% improvement in lead qualification.

5. Finally, a similar analysis for close rates demonstrated a 3.5% decrease per level for each time delay and a 2.3% decrease per level for each additional attempted contact to qualify a lead. In this case, the data also revealed a compound negative effect of 3.3% for those who do both poorly. A company that can decrease the amount of time and the number of attempts one level will experience a 9.09% increase in close rates. Firms that move two categories get an 18% increase.

**PROCESS ANTECEDENTS**

In addition to the *when* question addressed above, The Lead Management survey also sought to answer *how* companies generate, respond and route leads. In doing so, the study identifies which methods of demand generation marketing are more effective and which are less effective in both qualifying and closing leads. In particular, the survey linked each process—1) demand generation, 2) offer type, 3) techniques to capture the lead and 4) lead distribution strategies—to the qualification rates and close rates from the same respondent.
I. DEMAND GENERATION

The first area of analysis is that of demand generation. This section examined the stages involved in generating a web based lead, and what techniques correlate with an increase or decrease in lead qualification and close rates.

The following table represents the 2007 Lead Management Survey questions related to generating demand and processing leads. Respondents described how often they used the methods or criteria described in the specific questions by using the seven Response Tiers in the right box.

### METHODS TO DRIVE LEADS BY QUALIFICATION RATES

<table>
<thead>
<tr>
<th>Questions</th>
<th>Response Tiers</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent do you use the following methods to DRIVE visitors to your company's website?</td>
<td>1  Never</td>
</tr>
<tr>
<td>To what extent does your company use the following OFFERS on its website to incentivise a lead to fill out a web form?</td>
<td>2  Almost Never</td>
</tr>
<tr>
<td>To what extent does your company use the following methods to CAPTURE lead information from its website?</td>
<td>3  Occasionally</td>
</tr>
<tr>
<td>To what extent does your company use the following criteria to DISTRIBUTE leads?</td>
<td>4  Frequently</td>
</tr>
<tr>
<td>To what extent does your company use the following criteria to ROUTE leads?</td>
<td>5  Very Frequently</td>
</tr>
<tr>
<td>To what extent does your company use the following methods to CONTACT leads received from its website?</td>
<td>6  Almost Always</td>
</tr>
<tr>
<td>To what extent does your company use the following methods to CONTACT leads received from its website?</td>
<td>7  Always</td>
</tr>
</tbody>
</table>

On a technical note, Dr. Oldroyd regressed each demand generation process on the company’s qualification rates and close rates using OLS regression with robust standard errors. A cut off of 95% confidence was used for most analysis; however, some relationships with a lesser confidence interval are also reported (and noted with an ‘*’). A listing of all potential responses is indicated in the order in which they appear in this paper in the Appendix for context.
2. Web Site Offers: What methods do companies use to incentivise visitors on their web site to fill out a web form, and what are the effects of those offers on their lead qualification and close rates.

Question asked to respondents: “To what extent does your company use the following OFFERS on its website to incentivise a lead to fill out a web form?”

- **METHODS TO DRIVE LEADS BY CLOSE RATES**
  - **Blogging** +2.69
  - **Social Networking** +2.41
  - **Pay-Per-Click (PPC)** -1.66

- **OFFERS BY QUALIFICATION RATES**
  - **Price Quote** +2.16
  - **Proposal Request** +2.02
  - **Newsletter Subscription** -1.31
  - **Webinar** -1.46
  - **White Paper Library Registration** -1.83
  - **White Paper** -2.01

- **OFFERS BY CLOSE RATES**
  - **E-Book** +3.86
  - **Proposal Request** +1.84
  - **Price Quote** +1.24
  - **White Paper** -1.40

Effects on close rates: ‘Blogging’ and ‘Social Networking’ correlated with positive effects on close rates, while companies using ‘Pay-per-click (PPC)’ to drive leads correlated with a negative effect on close rates.


Effects on close rates: Offering an ‘E-Book’, ‘Proposal Request’, and ‘Price Quotes’ have a strong positive correlation with increased close rates, while offering ‘White Paper Offers’ correlates with decreased close rates.
3. Capturing Leads from Web Forms: What methods do companies use to capture leads after they have filled out a web form, and what are the effects of the different capture methods on lead qualification and close rates.

Question asked to respondents: “To what extent does your company use the following methods to CAPTURE lead information from its website?”

CAPTURE METHODS BY QUALIFICATION RATES

<table>
<thead>
<tr>
<th>Method</th>
<th>Qualification Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email “Mail to” link</td>
<td>1.77</td>
</tr>
<tr>
<td>Click-to-call*</td>
<td>1.68</td>
</tr>
<tr>
<td>Web Form to Phone</td>
<td>1.61</td>
</tr>
<tr>
<td>Live Chat*</td>
<td>1.58</td>
</tr>
</tbody>
</table>

* ‘Click-to-call’ and ‘Live chat’ were notable but not quite statistically significant as correlating positively with higher qualification.

CAPTURE METHODS BY CLOSE RATES

<table>
<thead>
<tr>
<th>Method</th>
<th>Close Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live Chat</td>
<td>2.25</td>
</tr>
<tr>
<td>Click-to-call*</td>
<td>1.86</td>
</tr>
</tbody>
</table>

Distributing Leads: What methods do companies use to assign the correct leads to the correct sales and lead qualification representative, and what are the effects of the different distribution methods on lead qualification and close rates.

Question asked to respondents: “To what extent does your company use the following criteria to DISTRIBUTE leads?”

DISTRIBUTION CRITERIA ON CLOSE RATES

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Close Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>First available sales rep</td>
<td>2.37</td>
</tr>
<tr>
<td>Skill-based distribution</td>
<td>2.55</td>
</tr>
<tr>
<td>Company size</td>
<td>1.40</td>
</tr>
<tr>
<td>Vertical market (industry/company type)</td>
<td>1.02</td>
</tr>
</tbody>
</table>

Effects on lead qualification rates: Capturing lead information by ‘Email (“mail to” link)’ and ‘Web form to Phone’ were statistically significantly correlated with a positive increase in qualification rates.

Effects on close rates: ‘Live Chat’ and ‘Click-to-call’ as a means to Capture leads were both correlated with higher close rates. None of the other methods of capturing lead were statistically significant enough to indicate correlation with Close Rates. Capturing leads by ‘Local Phone’, ‘Toll Free Phone’, ‘Web Form to Email’ or ‘Web Form to Database’ had no correlation to qualification rates or close rates.

Effects on lead qualification rates: The criteria which leads are distributed are the ways decisions are made as to who gets the leads. Distributing leads to the ‘First available sales rep’ and by ‘Skills-based distribution’ have a statistically significant relationship to higher qualification rates. Distributing leads by geography or sales territories has a noticable decrease in qualifications rates but was just beyond the margin of error for validity. Distributing by ‘Discretion of sales manager’ and ‘Round robin (evenly)’ was insignificant relationship either way.
5. Routing Leads: What physical methods do companies use to deliver leads to sales and lead qualification representative, and what are the effects of the different deliver methods on lead qualification and close rates.

Question asked to respondents: “To what extent does your company use the following criteria to ROUTE leads?”

**Routing Criteria on Qualification Rates**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Available Sales Rep</td>
<td>2.70</td>
</tr>
<tr>
<td>Skill-based Distribution</td>
<td>2.46</td>
</tr>
<tr>
<td>Geographical</td>
<td>-0.96</td>
</tr>
</tbody>
</table>

Effects on close rates: Distributing leads to the ‘First available sales rep’, by ‘Skills-based distribution’, or by ‘Company size’ all were significant predictors to increased close rates. Distribution by ‘Vertical market (industry/company type) was marginally linked to increased close rate but was not significant. Distributing by geography, fairly, or at the discretion of the sales manager had no correlation.

**Routing Criteria on Qualification Rates**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone ACD (Automated Call Dist.)</td>
<td>2.61</td>
</tr>
<tr>
<td>Database Record</td>
<td>0.90</td>
</tr>
</tbody>
</table>

Effects on lead qualification rates: Routing leads by ‘Phone (ACD)’ correlated to higher qualification rates, and directly into a ‘Database Record’ was marginally significant to higher lead qualification rates.

6. Contacting Leads: What methods do companies use to contact web leads after they are delivered, and what are the effects of those contact methods on lead qualification and close rates?

Question asked to respondents: “To what extent does your company use the following methods to CONTACT leads received from its website?”

**Routing Criteria on Close Rates**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>2.21</td>
</tr>
<tr>
<td>Phone ACD (Automated Call Dist.)</td>
<td>1.65</td>
</tr>
</tbody>
</table>

Effects on close rates: ‘Paper’ routing of leads correlated to higher close rates, and routing by ‘Phone (ACD)’ stood out but wasn’t significant. Routing by ‘Email’ and ‘Phone’ had no effect on close rates.
II. LEAD RESPONSE TIMING AND EFFICIENCY

The next area of analysis is that of lead response timing and efficiency. Once again, Dr. Oldroyd correlated responses from these questions to the qualification rates and close rates from the same respondent. This is the examination of when and how frequently a sales or lead qualification representative should attempt to call a lead they gave their information in a web form.

Dr. Oldroyd performed a statistical analysis of each question by how it correlated to the same respondent’s reported qualification rates and close rates. He used a method that calculates a percentage of how much the qualification or close rate decreases or increases based on the response tiers for each question, in a similar manner to the last section.

One area that is different and interesting here is Dr. Oldroyd also compares those that responded to those that did not respond to the questions in this section. He calls those that did not respond the ‘Don’t Knows’, and he uncovers some additional correlations that are statistically significant in their correlation to qualification and/or close rates.

The following table represents the 2007 Lead Management Survey questions related to lead response timing and efficiency. Respondents ranked how often they used the methods or criteria in answering the specific questions by the response tiers in the right box (pictured on the next page).
**LRM DEMAND RESPONSE TIMING AND EFFICIENCY QUESTIONS**

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>RESPONSE TIERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 To what extent are the following time blocks effective for contacting leads (i.e. speaking on the phone with the correct person)?</td>
<td>7AM–10PM (one hour time blocks)</td>
</tr>
<tr>
<td>2 To what extent are the following days of the week effective for contacting leads (i.e. speaking on the phone with the correct person)?</td>
<td>Mon–Sunday (one day time blocks)</td>
</tr>
<tr>
<td>3 On average, how much TIME does it take before a first call is attempted?</td>
<td>0–5 minutes</td>
</tr>
<tr>
<td>4 On average, how much TIME does it take before reps in your company make their first contact (i.e. speaking on the phone with the correct person)?</td>
<td>5–10 minutes</td>
</tr>
<tr>
<td>5 On average in your company, how many ATTEMPTS does it take before a rep makes first contact (i.e. speaking on the phone with the correct person)?</td>
<td>10–30 minutes</td>
</tr>
<tr>
<td>6 In your company, what is the average number of phone conversations needed to qualify a lead? (Qualified = a lead that enters the sales process.)</td>
<td>30–60 minutes</td>
</tr>
<tr>
<td>7 In general, how many call ATTEMPTS does your company suggest sales reps make before they ABANDON a lead?</td>
<td>1 hour–8 hours</td>
</tr>
<tr>
<td></td>
<td>8 hours–24 hours</td>
</tr>
<tr>
<td></td>
<td>24 hours–48 hours</td>
</tr>
<tr>
<td></td>
<td>48 hours–72 hours</td>
</tr>
<tr>
<td></td>
<td>72 hours–1 week</td>
</tr>
<tr>
<td></td>
<td>1 week+</td>
</tr>
<tr>
<td></td>
<td>Don’t Know</td>
</tr>
<tr>
<td></td>
<td>Don’t Measure</td>
</tr>
<tr>
<td></td>
<td>1–3</td>
</tr>
<tr>
<td></td>
<td>4–5</td>
</tr>
<tr>
<td></td>
<td>6–7</td>
</tr>
<tr>
<td></td>
<td>8–10</td>
</tr>
<tr>
<td></td>
<td>10–20</td>
</tr>
<tr>
<td></td>
<td>20–30</td>
</tr>
<tr>
<td></td>
<td>30–50</td>
</tr>
<tr>
<td></td>
<td>50–100</td>
</tr>
<tr>
<td></td>
<td>Don’t Know</td>
</tr>
<tr>
<td></td>
<td>Don’t Measure</td>
</tr>
</tbody>
</table>
1. **Time of Day to Contact Leads**: This question examines what times of the day companies call their web leads, and what the effects of calling at different times of the day has on lead qualification and close rates.

**Question asked to respondents:** “*To what extent are the following time blocks effective for contacting leads (i.e. speaking on the phone with the correct person)*?”

### TIME OF DAY ON QUALIFICATION RATES

<table>
<thead>
<tr>
<th>Time Block</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00am–10:00am</td>
<td>5.56%</td>
</tr>
<tr>
<td>10:00am–11:00am</td>
<td>5.43%</td>
</tr>
<tr>
<td>11:00am–12:00pm</td>
<td>4.16%</td>
</tr>
<tr>
<td>2:00pm–3:00pm</td>
<td>3.99%</td>
</tr>
<tr>
<td>3:00pm–4:00pm</td>
<td>3.24%</td>
</tr>
<tr>
<td>4:00pm–5:00pm</td>
<td>4.34%</td>
</tr>
</tbody>
</table>

As demonstrated in the chart, there are two time periods that marketers and sales people feel is more effective to call in order to improve qualification rates. They are mid to late morning and the afternoon.

**NOTE:** Compare the survey data to the more significant LRM study on the same topic.

### Effects on close rates: There was no significant correlation found between time of day and close rates.
2. **Day of Week to Contact Leads**: This question examines what days of the week companies call their web leads, and what the effect of calling on different days of the week has on lead qualification and close rates.

Question asked to respondents: "To what extent are the following time blocks effective for contacting leads (i.e. speaking on the phone with the correct person)"

There was no statistically significant data from day of week that correlated with qualification rates or sales rates. This does not mean that there is not a best day of the week to make call in order to qualify and close lead. Rather, it implies that people DO NOT KNOW what day is best to call web leads and as such were not able do indicate and pattern in their answers.

3. **Speed to First Call Attempt**: This question examines when sales and lead qualification representatives first attempt to call a web lead after it has been created, and what the effect the timing of the first call attempt has on lead qualification and close rates.

Question asked to respondents: "On average, how much TIME does it take before a first call is attempted?"

4. **Speed to First Contact**: This question examines when sales and lead qualification representatives first contact a web lead after it has been created, and what the effect the timing of the contact has on lead qualification and close rates.

Question asked to respondents: "On average, how much TIME does it take before reps in your company make their first contact (i.e. speaking on the phone with the correct person)"
5. Call Attempts to First Contact: This question examines how many call attempts companies make in order to contact their web leads, and what the effect of each of these call attempts has on lead qualification and close rates.

Question asked to respondents: “On average in your company, how many ATTEMPTS does it take before a rep make first contact (i.e. speaking on the phone with the correct person)?”

Effects on lead qualification rates: The analysis demonstrates a correlated decrease of -5.05% in qualification rates for every additional call attempt companies make in order to first contact their web leads.

Effects on close rates: The analysis demonstrates a correlated decrease of -2% in close rates for each additional call attempt in the process of first contacting a web lead.
6. Contacts to Qualification: This question examines how many contacts companies make in order to qualify their web leads, and what the effect of each of these contacts has on lead qualification and close rates.

Question asked to respondents: “In your company, what is the average number of phone conversations (CONTACTS) needed to QUALIFY a lead? (Qualified = a lead that enters the sales process.)”

### # OF CONTACTS TO QUALIFY ON QUALIFICATION/CLOSE RATES

<table>
<thead>
<tr>
<th>Contacts to Qualify—Qual</th>
<th>-3.72</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t Know</td>
<td>-11.31</td>
</tr>
<tr>
<td>Contacts to Contact—Close</td>
<td>-1.46</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>-11.92</td>
</tr>
</tbody>
</table>

7. Call Attempts before Abandon: This question examines how many call attempts companies make before they give up attempting to call on their web leads, and what the effect of this point of abandonment has on lead qualification and close rates.

Question asked to respondents: “In general, how many call ATTEMPTS does your company suggest sales reps make before they ABANDON a lead?”

This section of the survey analysis is particularly interesting. Respondents were asked how many call attempts they suggest that a sales rep make before they give up trying to contact a lead. This is not asking how many are actually made. 60.4% of respondents that knew or measured this say they recommend a sales rep quit calling at 4–5 attempts or less.

### # OF ATTEMPTS BEFORE ABANDON ON QUALIFICATION/CLOSE RATES

<table>
<thead>
<tr>
<th>Attempts to Abandon—Qual</th>
<th>-10.63</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attempts to Abandon—Close</td>
<td>-8.832</td>
</tr>
</tbody>
</table>

**Effects on lead qualification rates:** The analysis demonstrates the correlated decrease of -3.72% in qualification rates for every additional contact companies make to qualify a lead. The lighter green section of the first bar in the chart shows the ‘Don’t Knows’ who correlate to a significantly higher -11.31% decrease in qualification rates.

**Effects on close rates:** The analysis demonstrates the correlated decrease of -1.46% in close rates for every additional contact companies make to qualify a lead. The lighter green section of the first bar in the chart shows the ‘Don’t Knows’ who correlate to a significantly higher decrease of -11.92% in close rates.

**Effects on close rates:** The analysis demonstrates the correlated increase of 2.08% in close rates for additional ‘# of Attempts tiers Before Abandoning’ and qualification rates. But the lighter blue section of the top bar shows the ‘Don’t Knows’ correlate to a -10.63% decrease in qualification rates.

This suggests that not knowing or measuring when a sales rep should abandon correlates with lesser qualification rates.

**Effects on close rates:** The analysis demonstrates the correlated increase of 2.08% in close rates for additional ‘# of Attempts tiers Before Abandoning’ and qualification rates. But the lighter blue section of the top bar shows the ‘Don’t Knows’ correlate to a decrease of -8.83% in close rates.

This says that organizations who advocate high numbers of attempts to make contact with leads before they give up correlate with higher reported percentages of close rates.
III. COMPANY SIZE, STRUCTURE AND OTHER GENERAL RESULTS

The next area of analysis is observing trends related to company’s revenue, employee count and other general results. Once again, Dr. Oldroyd correlated responses from these questions to the qualification rates and close rates from the same respondent.

1. **Employee Headcount**: This question examines the effect that the employee headcount has on lead qualification and close rates.

<table>
<thead>
<tr>
<th>EMPLOYEE SIZE RESPONSE TIERS</th>
</tr>
</thead>
</table>

The approximate headcount of employees in your company was correlated against qualification rates and close rates. The response tiers were:

<table>
<thead>
<tr>
<th>EMPLOYEE SIZE ON QUALIFICATION/CLOSE RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMPLOYEES SIZE—QUAL*</td>
</tr>
<tr>
<td>EMPLOYEES SIZE—CLOSE</td>
</tr>
</tbody>
</table>

Effects on lead qualification rates: Analysis shows a correlation in the respondents ‘Employee Size’ with their reported qualification rates and close rates. The correlation between employee size and qualification rates was just outside of the criteria for validity, but it was close enough that we have mentioned it. It says that for every tier of increased employee size, there is a loose correlation between lower qualification rates that decreases at a rate of -1.22%.

2. **Sales or Lead Rep Headcount**: This question examines the effect that the number of sales and lead generation representatives has on lead qualification and close rates. The table directly below includes the Response Tiers.

<table>
<thead>
<tr>
<th># OF LEAD/SALES REPS RESPONSE TIERS</th>
</tr>
</thead>
</table>

The approximate number of lead generation or sales reps in companies was correlated against qualification rates and close rates. The response tiers were:

<table>
<thead>
<tr>
<th>EMPLOYEE SIZE ON QUALIFICATION/CLOSE RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td># OF REPS—QUAL*</td>
</tr>
<tr>
<td># OF REPS—CLOSE*</td>
</tr>
</tbody>
</table>

Effects on close rates: The correlation between Employee Size and close rates is statistically significant and decreases at a rate of -1.44% for each tier of larger Employee Size. Or in other words, this suggests close rates go down in larger companies.

Effects on lead qualification rates: Analysis shows that there was a strong correlation between a decrease in qualification rates of -2.45% as higher tiered numbers of Lead Reps or Sales Reps were reported.

Effects on close rates: There was no correlation observed in increasing # of Reps and close rates.
3. **Bottlenecks in the Lead Generation Process:** This question examines where companies have bottlenecks in their lead generation process, and what the effect of these bottlenecks has on lead qualification and close rates.

   **Question asked to respondents:** “To what extent do you agree with the following statements?

   1. In my company, we lose potential customers because we do not have the **TIME** to contact them.
   2. If we had **MORE LEADS**, our sales department would have ample time to contact them.
   3. In my company, we lose potential customers because we are not able to **CONTACT THEM QUICKLY** enough after an initial inquiry is made.”

4. **Generalist vs. Specialists:** This question examines if companies use a specialists or generalist approach in following up on web-generated leads, and what the effect of these two different methods have on lead qualification and close rates.

   **Question asked to respondents:** “On average, is your company’s sales process a **generalist process** (i.e. one rep handles the entire sales process), or a **specialist process** (i.e. one rep hands off to another rep for different aspects of the process)?”

   There were 67.4% of the respondents that reported their sales reps are generalists, while 32.6% are specialists. Specialists work in an environment where there is at least one hand-off in the sales process. An example would be a company where a lead is qualified by a representative that qualifies and sets an appointment on behalf of a rep who closes the sale.

   Dr. Oldroyd correlated with a very small margin of error a 7.9% higher reported close rate with Specialists over Generalists.

5. **Company Revenue:** This question examines the correlation a company’s annual revenue has on lead qualification and close rates.

   **Question asked to respondents:** “What was your company’s annual revenue for 2006?”

   Effects on lead qualification and close rates: Dr. Oldroyd correlated responses on all three of these questions to qualification rates and close rates and only found one correlation that was statistically significant, that was question #3.

   There was a negatively decreasing correlation of -2.68% for each tier from ‘Never’ to ‘Always’ on close rates when a company says they lose customers because they are not able to **CONTACT THE QUICKLY ENOUGH**.

   There was no correlation in either direction when respondents said they didn’t have enough time or enough leads.

   Effects on lead qualification and close rates: When examining how qualification rates and closes rates correlate with increasing revenue within a company there was no correlation with qualification rates, but close rates decreased at a rate of -1.55% with each increasing tier.

   This finding seems to be similar to Employee Sizes and # of Reps. Close rates seem to decrease with correlating increases in size.
CONCLUSION

LEAD MANAGEMENT SURVEY - OCT. 2007

The 2007 Lead Management Survey introduces many new answers to the field of lead response management.

However, in studying the responses, we couldn’t find ANY statistically significant answers to our question of WHEN (besides generally faster and more efficiently) we should respond to web leads by asking the marketing departments of companies.

Here are a few additional questions we asked that further exemplifies this point:

When asked “how much time does it take to make a first call attempt” we had the following responses:

1. Less than one hour 20%
2. 1 hour to 8 hours 16%
3. After 8 hours (next business day or beyond) 26%
4. Don’t Know, Don’t Measure or Didn’t Respond 38%

When asked “how many attempts does it take before a rep makes first contact” we had the following:

1. One 4%
2. Two 22%
3. Three 21%
4. Four or more 12%
5. Don’t Know, Don’t Measure or Didn’t Respond 40%

We asked “how many call attempts do you suggest sales reps make before they abandon a lead?”

1. One to Three 14%
2. Four to Five 21%
3. Five to Seven 12%
4. More than Seven 11%
5. Don’t Know, Don’t Measure or Didn’t Respond 42%

Please note that 107 companies chose not to respond at all to these three questions.

The survey clearly reveals that marketers and sales representatives DO NOT KNOW when and how efficiently to follow up on web-generated leads. Since this was the reason for the survey, Professor Oldroyd recommended a more detailed behavioural analysis on actual call data. To perform this kind of study, we needed real data that would allow us to analyze the effects on contact and qualification ratios based on the time from when leads are created, to attempted, to contacted, to qualified.

Believing that companies don’t know, we acted on his recommendation to answer the original question: “How Much Time Do You Have Before Web-Generated Leads Go Cold?”
InsideSales.com is a leading provider of B2B power dialer technology and lead management solutions to increase lead generation, lead conversion, and lead process visibility. They were the first company to embed telephony voice technology into sales and marketing automation solutions on the Web as an on-demand subscription service. These tools include Web form callback, automatic dialers, power dialers, voice broadcasting, lead nurturing solutions, and integration with online CRMs solutions like Salesforce.com.

InsideSales.com is a Partner on the AppExchange Platform. InsideSales.com’s customers include Dun & Bradstreet, Omniture, HP, and FranklinCovey.
James Oldroyd holds a PhD in Management and Organizations from the Kellogg School of Management, Northwestern University. Dr. Oldroyd holds an MBA and a BA from Brigham Young University. Dr. Oldroyd has researched and written about the challenges organizations face in learning from their customers. He is the co-author of a recent Harvard Business Review article entitled “The Quest for Customer Focus” (Harvard Business Review, April 2005).

Dr. Oldroyd’s dissertation work examines the impediments to information flows through informal social networks within organizations. Dr. Oldroyd has taught Negotiations and Leadership at the Kellogg School of Management. He has also taught Strategic Management at Brigham Young University and has developed course material for several topics including: entrepreneurship, leadership and change and organizational structure.

Dr. Oldroyd has been involved in numerous advisory projects to corporations. Several of these projects have been focused on developing an organizational strategy for firms that are under pressure from the environment, competitors or internal pressures.
Options used in 2007 Lead Management Survey.

Methods used to DRIVE visitors to website:

1. Pay-per-lead
2. Pay-per-click (PPC)
3. Search Engine Optimization (SEO)
4. Podcasting
5. Blogging
6. Vidcasting
7. Partner Sites
8. Affiliate Sites
9. Email
10. Direct Mail
11. Online Advertising (banner ads, pop-up ads, etc.)
12. Outbound Telemarketing
13. Individual Sales Rep Prospecting (cold calling)
14. Trade Shows/Conferences
15. Print/Radio/TV Advertising
16. Social Network Marketing
17. Public Relations/Publicity

OFFER types used to generate leads:

1. Free Trial
2. White Paper
3. White Paper Library Registration
4. Newsletter Subscription
5. Proposal Request
6. Price Quote
7. Webinar
8. Teleseminar
9. eBook
10. Podcast
11. Vidcast
12. Contact us—Web Form
13. Contact us—800 Number
14. Contact us—Click-to-Call

Methods to CAPTURE lead information:

1. Email (“mail to” link)
2. Local Phone Number
3. Toll Free Number
4. Click-to-call
5. Live Chat
6. Web Form to Email
7. Web Form to Database
8. Web form to Phone

Criteria to DISTRIBUTE leads:
1. Discretion of sales manager
2. First available sales rep
3. Round robin distribution (even distribution)
4. Skills-based distribution
5. Geographical (sales territories)
6. Vertical market (industry/company type)
7. Company size

Methods used to CONTACT leads received from website:
1. Phone
2. Email
3. Fax
4. Chat
5. Direct Mail

On average, how much TIME does it take before reps in your company make their first contact (i.e. speaking on the phone with the correct person)?

1. 0–5 minutes
2. 5–10 minutes
3. 10–30 minutes
4. 30–60 minutes
5. 1 hour–8 hours
6. 8 hours–24 hours
7. 24 hours–48 hours
8. 48 hours–72 hours
9. 72 hours–1 week
10. 1 week+
11. Don't Know
12. Don't Measure
On average in your company, how many ATTEMPTS does it take before a rep makes first contact (i.e. speaking on the phone with the correct person)?

1. 1
2. 2
3. 3
4. 4
5. 5
6. 6
7. 7
8. 8
9. 9
10. 10+
11. Don’t Know
12. Don’t Measure

In general, how many call attempts does your company suggest sales reps make before they ABANDON a lead?

1. 1–3
2. 4–5
3. 5–7
4. 7–10
5. 10–20
6. 20–30
7. 30–50
8. 50+
9. Don’t Know
10. Don’t Measure

To request that your company participate in the next InsideSales.com study in association with Professor Oldroyd of SKKU that will analyze response times by offer type and response media, register at: