THE STATE OF

LEAD CONVERSION IN MARKETING AND SALES

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The State of Lead Conversion in Marketing and Sales
Conducted by Ascend2 and Verse, Published August 2020

EXECUTIVE SUMMARY

Digital marketers continue to innovate in lead generation, with many adopting marketing automation software, conversational marketing apps, and other methods to improve targeting, engagement and click through rates. However, only 12% are very satisfied with their lead conversion abilities. Most companies continue to struggle with establishing contact, qualifying and effectively following up the leads they spend so much time and money to generate. Lead conversion is challenging, but the inability to improve lead conversion rates has a number of significant, negative downstream impacts: wasted marketing budget, wasted sales team time, and lost revenue opportunity. We call this The Lead Conversion Gap, and we think solving it is the next frontier in marketing and sales.

Here are 4 key takeaways from the study. You will find additional insight as you dig into the study. Enjoy!

4 Key Findings

Companies need more lead qualification data. The ability to collect enough qualifying data on leads is ranked a top challenge for successful lead conversion. Only 39% of businesses are using lead qualification criteria in their lead generation process.

Companies struggle to establish fast initial contact with leads. Research shows that 24/7 speed of response to a lead inquiry is critical for improved conversion. 41% of companies feel following up with leads quickly is a challenge, especially given that a significant number of leads come in after regular business hours.

Communication capabilities matter. Email and phone calls account for the majority of most companies' follow-up communications with leads. Recent studies show a growing consumer preference for live 2-way text to start conversations with companies.

Companies are challenged to conduct effective follow up. 44% of respondents say sales staff is too busy to follow up, yet only 25% of businesses report using a lead conversion solution.

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1.0 Introduction

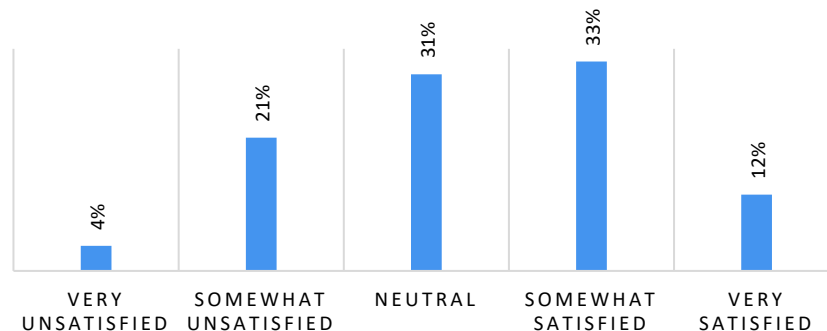# THE STATE OF LEAD CONVERSION IN MARKETING AND SALES

The process of lead qualification and nurturing, when executed strategically, can result in marketing turning over more qualified leads to sales, and sales converting more of those leads into customers.

But are there existing gaps in the lead conversion process?

To help you answer this question, Ascend2 in partnership with Verse fielded The State of Lead Conversion in Marketing and Sales Survey.

This report exclusively represents the opinions of 277 marketing and sales professionals operating in both the B2B and B2C channels.

OVERALL SATISFACTION WITH LEAD-TO-SALES CONVERSION RATE

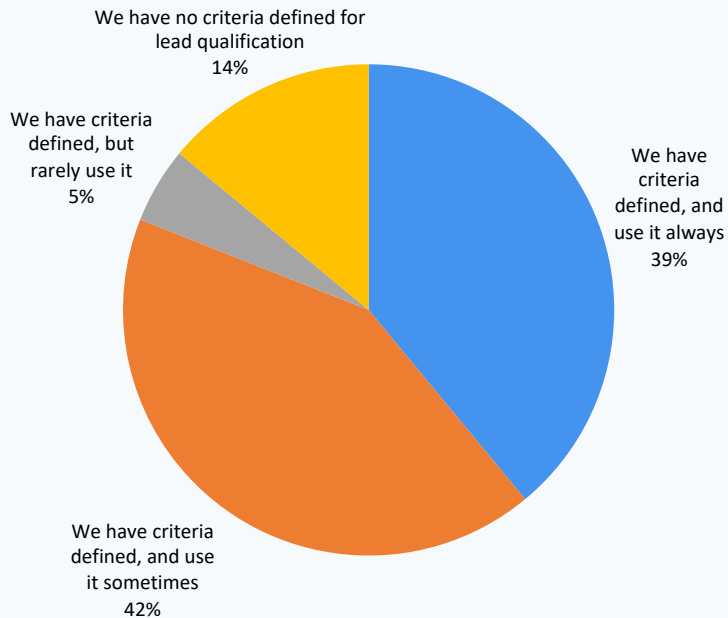| VERY UNSATISFIED	SOMEWHAT UNSATISFIED	NEUTRAL	SOMEWHAT SATISFIED	VERY SATISFIED
4%	21%	31%	33%	12%

TIP

The goal of this study is to give you research and recommendations that will allow you to move from left to right on this chart. Each step you take to close the lead conversion gap will move you closer to being 'very satisfied' with your leads-to-sales conversion rate. And when you are very satisfied, you will find small ways to optimize the process to get an even higher conversion rate.

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The State of Lead Conversion in Marketing and Sales

1.1 Introduction

ONLY 39% OF COMPANIES HAVE AND ALWAYS USE LEAD QUALIFICATION CRITERIA

We have no criteria defined for lead qualification
14%

We have criteria defined, but rarely use it
5%

We have criteria defined, and use it always
39%

We have criteria defined, and use it sometimes
42%

Over three-quarters (78%) of marketing and sales professionals report that they screen their leads for quality to some extent. Closing the lead conversion gap, however, requires more than just screening your leads for quality. Sales and marketing must be aligned to establish criteria that defines the quality of a new lead. Of the 86% of marketers who have defined criteria for lead qualification, less than half use it consistently.

DOES YOUR COMPANY ATTEMPT TO SCREEN YOUR LEADS FOR QUALITY?

Sometimes
22%

No
22%

Yes
56%
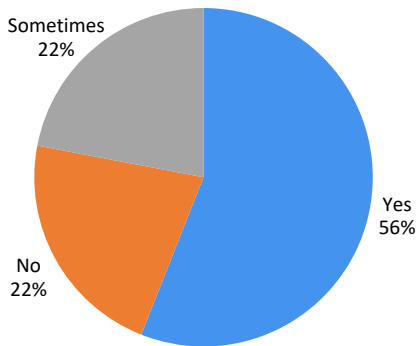
ASK THESE QUESTIONS

A simple screening process allows you to start your lead process moving in the right direction.
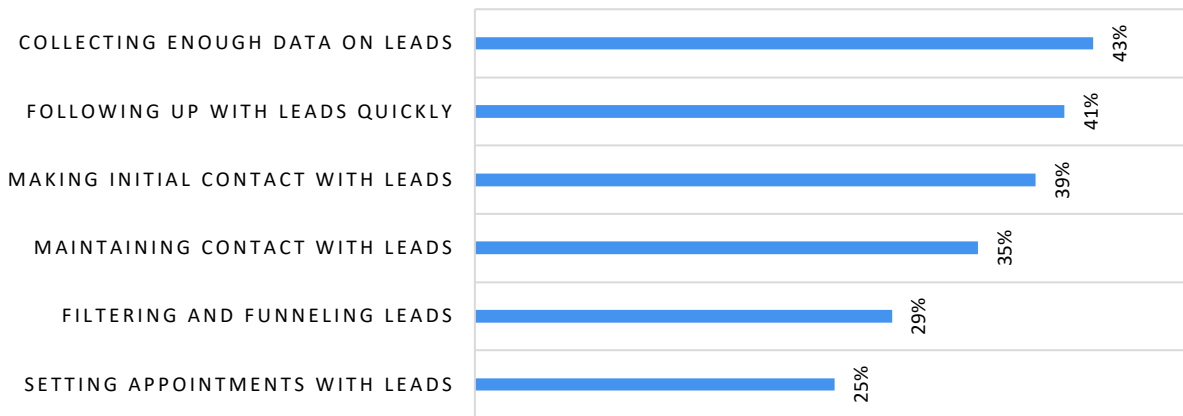
✓ **Has sales and marketing agreed on specific minimum required information that a lead must have? (For example: first name, last name, email, company)**

✓ **Is there a process for removal of leads that have junk or test data?**

✓ **Is there defined information that disqualifies a lead? (For example: location or company size)**

2.0 Challenges

THE GREATEST CHALLENGES TO LEAD CONVERSION

Gathering and organizing relevant data, then leveraging it
to better communicate with your leads is essential to
increasing lead conversion rates.

THE BIGGEST CHALLENGES TO SUCCESSFUL LEAD CONVERSION

Challenge	Percentage
COLLECTING ENOUGH DATA ON LEADS	43%
FOLLOWING UP WITH LEADS QUICKLY	41%
MAKING INITIAL CONTACT WITH LEADS	39%
MAINTAINING CONTACT WITH LEADS	35%
FILTERING AND FUNNELING LEADS	29%
SETTING APPOINTMENTS WITH LEADS	25%

43% of those surveyed report that collecting enough data on leads is the greatest barrier to successful lead conversion. Following up with leads quickly, before they lose interest, and making initial contact with leads also rank at the top of this list of challenges for 41% and 39% of marketing and sales professionals, respectively.

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2.1 Challenges

THE CONSEQUENCES OF SLOW FOLLOW-UP

When you don't follow-up quickly, prospects start to:

1 Lose interest

2 Seek out your competition

3 Feel unappreciated by you

There are three reasons Inside Sales cited why speed-to-lead is so vital:
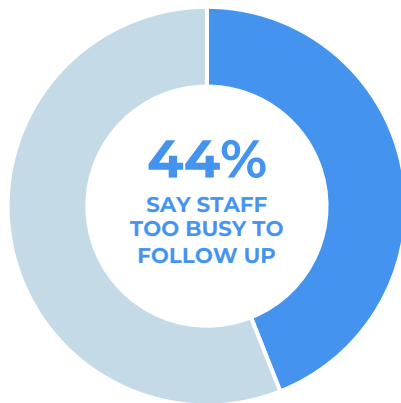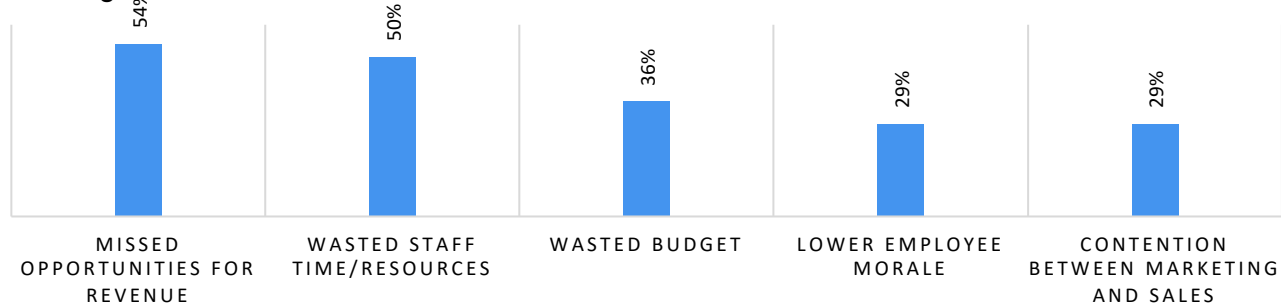
1. **Presence detection** – if a lead puts their information in on a website or fills out some sort of online inquiry form, the lead is likely still next to their phone or computer. Contacting a lead immediately provides the best odds by far for getting a lead to engage quickly.
2. **Top-of-mind-awareness** – this concept of calling or contacting a lead immediately equates to staying on their mind. The average callback time is nearly 48 hours after a lead submits an inquiry — if you can't outperform that significantly, the consumer will likely have forgotten about your business. (InsideSales.Com)
3. **The "Wow" effect** – people seem to be impressed rather than concerned when a company follows up within minutes of inquiring! This "wow" factor creates a response from consumers that establishes immediate trust. Prospects likely correlate the promptness of response and assume that their business was prioritized and valued.

The speed-to-lead mission is non-negotiable for sales teams to capitalize on their leads. The chances of a prospect turning into a qualified lead decrease rapidly within five minutes of going uncontacted. (InsideSales.com)

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2.2 Challenges

WHAT ARE THE GREATEST COSTS ASSOCIATED WITH LEAD CONVERSION CHALLENGES?

As marketing and sales professionals assess the greatest costs associated with lead conversion challenges, over half (54%) identify missed opportunities for revenue, a direct impact on the bottom line. 50% of those surveyed also report that staff time and resources are being wasted as a result of these lead conversion challenges.

44%
SAY STAFF TOO BUSY TO FOLLOW UP

54%	50%	36%	29%	29%
MISSED OPPORTUNITIES FOR REVENUE	WASTED STAFF TIME/RESOURCES	WASTED BUDGET	LOWER EMPLOYEE MORALE	CONTENTION BETWEEN MARKETING AND SALES

ASK THESE QUESTIONS

Crunch the numbers on the impact of your conversion rate and your average deal size and you may quickly find that you are losing ten of thousands of dollars.

✓ **How many opportunities are missed from not following up with leads quickly enough?**

✓ **Is your staff too busy with tasks that could be automated? What could be accomplished if your staff got back 30 minutes a day?**

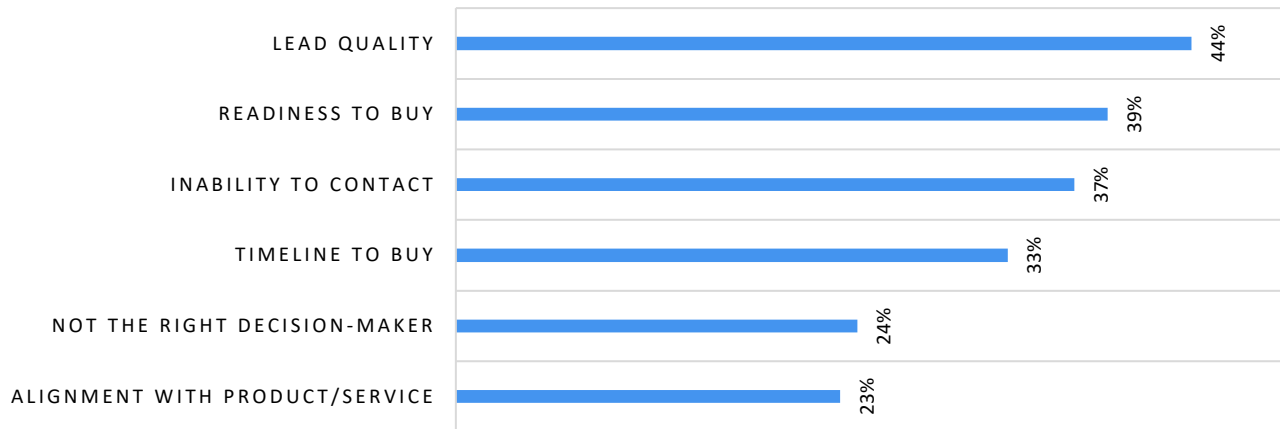✓ **Is frustration over lead conversion challenges taking a toll on employees?**

2.3 Challenges

THE IMPORTANCE OF MARKETING AND SALES ALIGNMENT

When a sales force and marketing team are working in tandem, the result is a streamlined and optimized lead hand-off process. For 44% of those surveyed, there is a **lack of quality in the leads delivered to the sales team**. **Readiness to buy** and **inability to contact** are also reportedly issues from the sales side in relation to inbound leads for 39% and 37% of marketing and sales professionals, respectively.

THE TOP COMPLAINTS FROM THE SALES TEAM AS IT RELATES TO INBOUND LEADS

LEAD QUALITY	44%
READINESS TO BUY	39%
INABILITY TO CONTACT	37%
TIMELINE TO BUY	33%
NOT THE RIGHT DECISION-MAKER	24%
ALIGNMENT WITH PRODUCT/SERVICE	23%

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TIP

How can the marketing department wow the sales department? Start by providing solutions to the top complaints that the sales team has regarding leads. Give your sales team the screening process used to determine the quality of a lead. If leads are not ready to buy, develop a process to nurture leads until they are ready to buy. Understanding the complaints from sales will allow you to develop a plan to overcome those complaints.
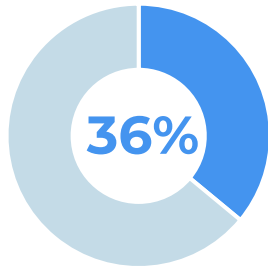
3.0 Current Solutions

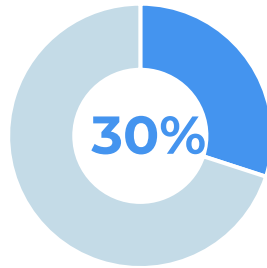# WHICH LEAD CONVERSION SOLUTIONS ARE CURRENTLY IN PLACE?

Nearly half (48%) of companies have sales staff who handle the lead conversion process as part of their job. Adding lead conversion tasks on to a sales member's core responsibilities might be a reason why 44% of those surveyed report that staff being too busy is the biggest problem with the existing lead conversion approach.
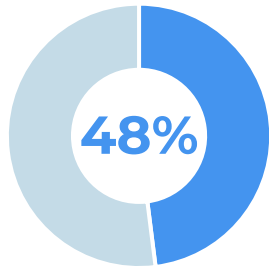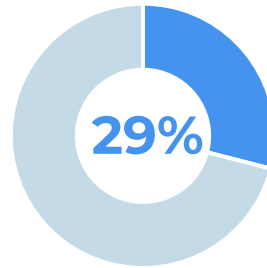
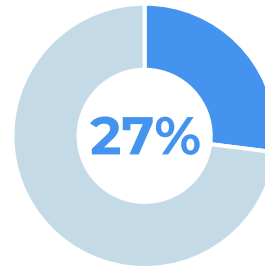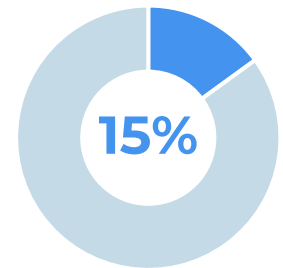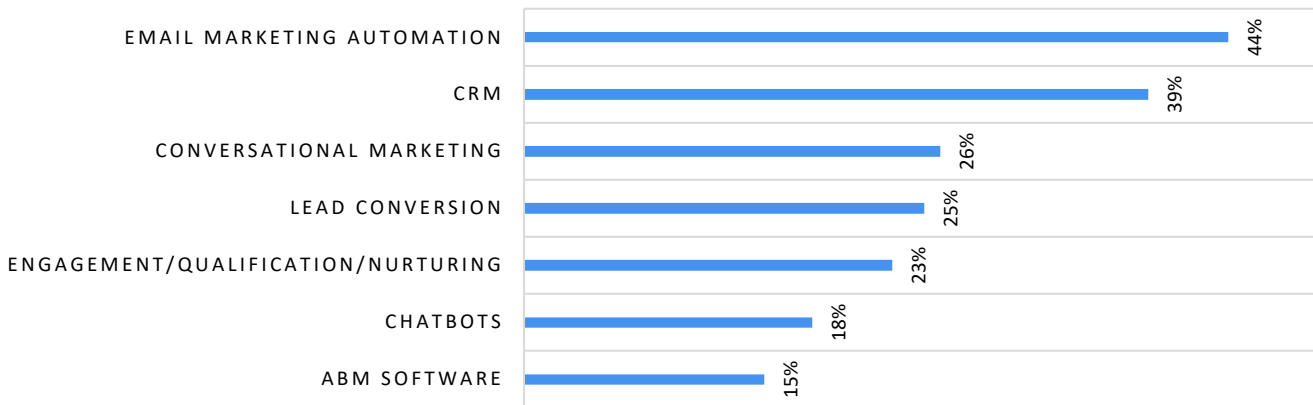| 48%	36%	30%	29%	27%	15%
SALES STAFF WHO HANDLE LEAD CONVERSION	**INHOUSE CALL OR CONTACT CENTER**	**DEDICATED LEAD CONVERSION STAFF**	**CUSTOM BUILT SOFTWARE**	**THIRD PARTY SOFTWARE**	**CONTACT OR CALL CENTER**

3.1 Current Solutions

THE STATE OF AUTOMATION

Nearly half (44%) of those surveyed have email marketing automation and 39% use a Customer Relationship Management (CRM) tool. Interestingly, only 25% of marketing and sales professionals have an automation software specific to lead conversion.

DID YOU KNOW?

Did you know there are 8,000+ MarTech solutions? There is plenty of technology available but expensive and complex tech stacks aren't cutting it, especially at the bottom of the funnel. Smart integration between systems is critical to success. For example, Verse is the only lead conversion platform and managed service in 2020 that integrates with any CRM solution, meaning you do not have to invest tons of time and money creating and maintaining additional software for the sake of a contact center. This simple solution is one more step to closing the lead conversion gap.

WHAT TYPE OF MARKETING AUTOMATION SOFTWARE IS CURRENTLY USED?

Category	Percentage
EMAIL MARKETING AUTOMATION	44%
CRM	39%
CONVERSATIONAL MARKETING	26%
LEAD CONVERSION	25%
ENGAGEMENT/QUALIFICATION/NURTURING	23%
CHATBOTS	18%
ABM SOFTWARE	15%

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4.0 Communication Channel Utilization

THE MOST USED CHANNELS FOR FOLLOWING UP WITH LEADS

The vast majority of marketing and sales teams are utilizing more manual and time-consuming methods of attempting contact with inbound leads. Over two-thirds of those surveyed say email (37%) and phone calls (36%) are the communication channels used most often to follow up with inbound leads. Only 6% of those surveyed take advantage of text/SMS to follow up with leads.

Live Chat
7%

Other
1%

Social media
12%

Phone calls
36%

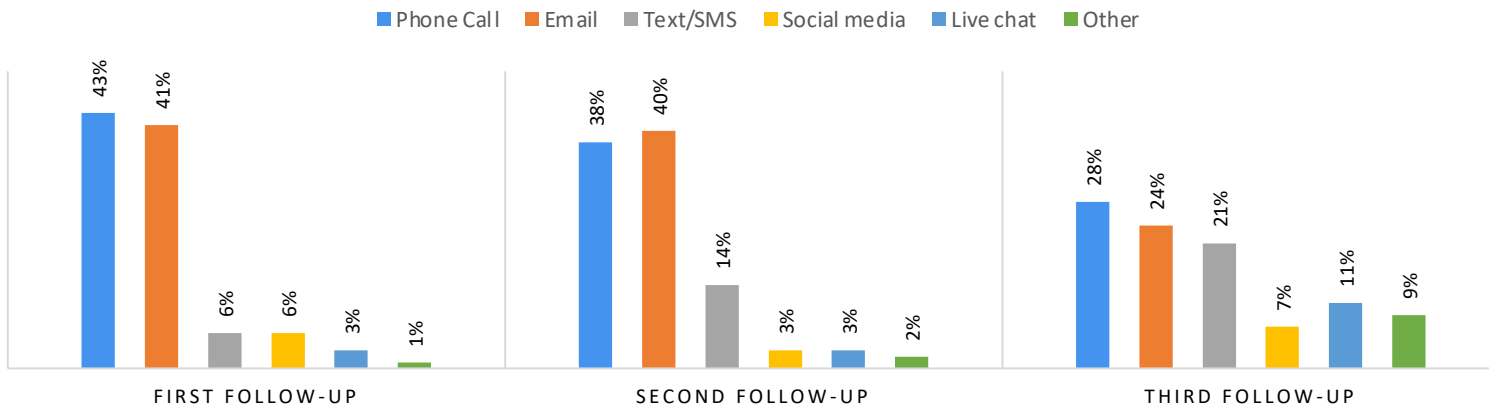Text/SMS
6%

Email
37%
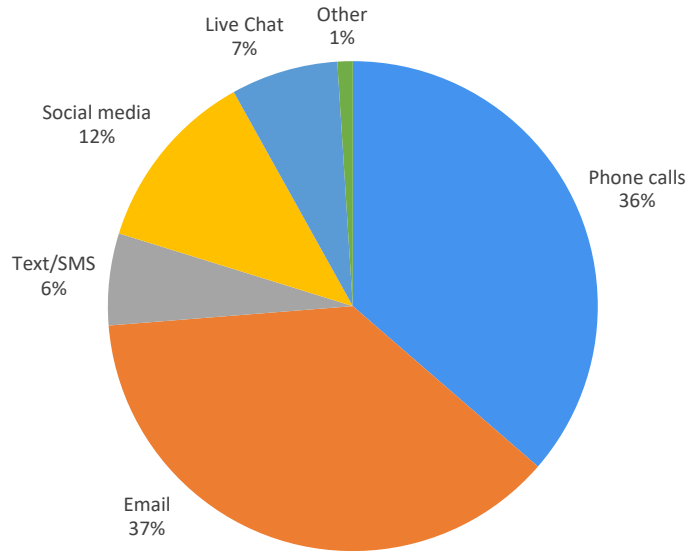
A CLOSER LOOK

Do you use text to follow-up with leads? 89% of consumers prefer to communicate with businesses via SMS. With an opportunity as clearly defined as this, now may be the time to re-examine your communication strategy and ask the question, are phone and email still the best option?

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4.1 Communication Channel Utilization

SEQUENCING MATTERS

According to 43% of marketing and sales professionals, the first attempt to contact a lead is made by phone call, followed by email for 40%. By the third follow-up attempt, those surveyed begin to utilize text (21%) and live chat (11%) more frequently.

FOLLOW-UP SEQUENCE BY COMMUNICATION CHANNEL

■ Phone Call ■ Email ■ Text/SMS ■ Social media ■ Live chat ■ Other

FIRST FOLLOW-UP
- Phone Call: 43%
- Email: 41%
- Text/SMS: 6%
- Social media: 6%
- Live chat: 3%
- Other: 1%

SECOND FOLLOW-UP
- Phone Call: 38%
- Email: 40%
- Text/SMS: 14%
- Social media: 3%
- Live chat: 3%
- Other: 2%

THIRD FOLLOW-UP
- Phone Call: 28%
- Email: 24%
- Text/SMS: 21%
- Social media: 7%
- Live chat: 11%
- Other: 9%

Most common follow-up sequence:

1 **Phone Call**

2 **Email**

3 **Phone Call**

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5.0 Making Contact

HOW OFTEN IS DIRECT CONTACT MADE WHEN FOLLOWING UP WITH A LEAD

Over half of marketing and sales professionals report that direct contact is made **50% of the time or less** when following up with a lead. About one-in-five of those surveyed say they connect with a lead over **80% of the time**. Factors such as speed to attempt contact and number of contact attempts play an important role in these numbers.

PERCENTAGE OF TIME DIRECT CONTACT IS MADE
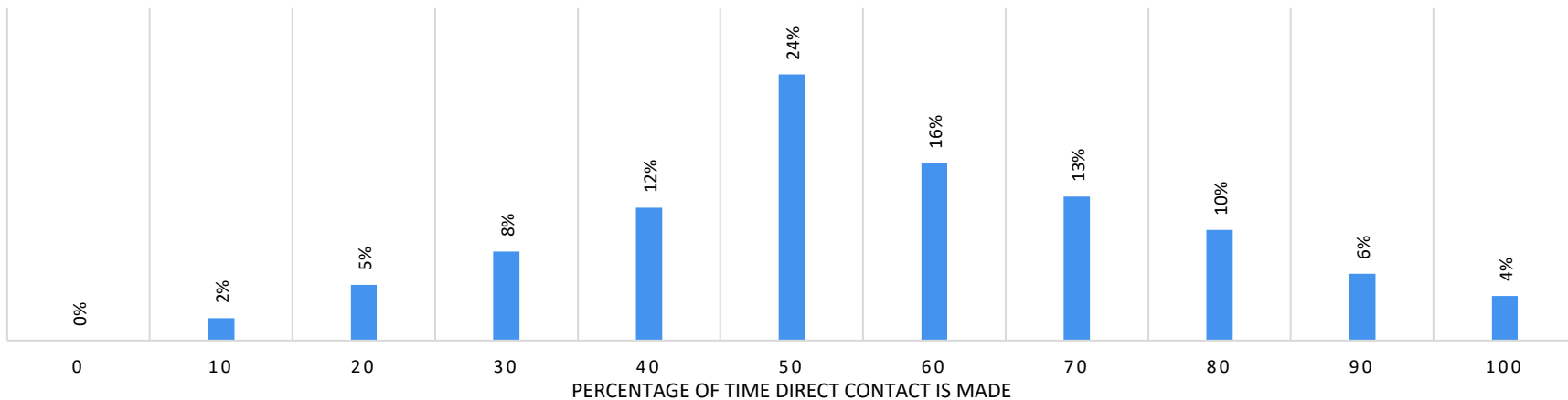
TIP How can you improve your percentage of time direct contact is made with your leads? _Watch David Tal_, the CEO of Verse, show you how their lead engagement platform and software, driven by technology and the touch of authenticity from humans – works to qualify and convert leads through a simple, scripted conversation.
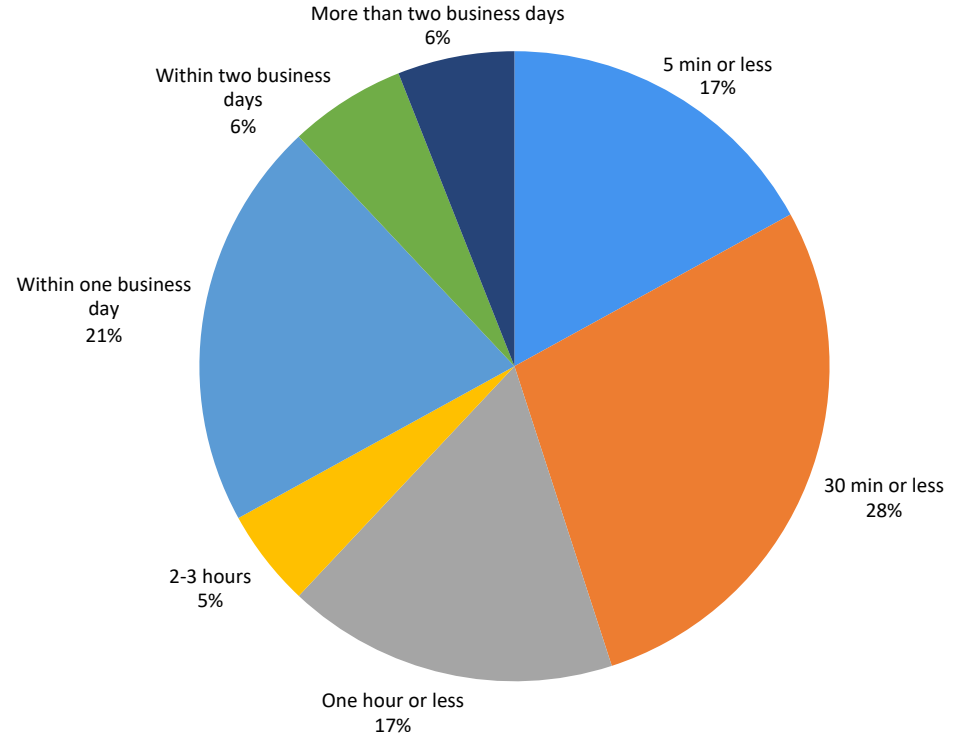
5.1 Making Contact

LESS THAN HALF OF INITIAL ATTEMPTS TO CONTACT ARE MADE WITHIN 30 MINUTES

Timing is everything. Once a lead is acquired, the speed at which your business can make contact is critical to successfully converting that lead. According to our research (in section 2.0 of this report), however, striking while the iron is hot is a major challenge for 41% of those surveyed.

It takes over 30 minutes for an initial contact attempt to be made according to 55% of marketing and sales professionals. Only 17% of those surveyed report that the first follow-up attempt is made within five minutes of a lead coming in.

AVERAGE TIME TO FIRST CONTACT ATTEMPT

- More than two business days 6%
- Within two business days 6%
- Within one business day 21%
- 2-3 hours 5%
- One hour or less 17%
- 5 min or less 17%
- 30 min or less 28%

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5.2 Making Contact

HOW MANY ATTEMPTS ARE BEING MADE?

For the first three days post-acquisition of a lead, most companies are making just one contact attempt per day. The day a lead comes in about half of those surveyed report making one attempt to follow up. Another 39% are making between two and five attempts. These numbers are similar for one day and two days after acquisition.
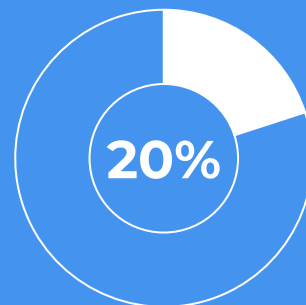
CONTACT ATTEMPTS WITH LEADS BY DAY
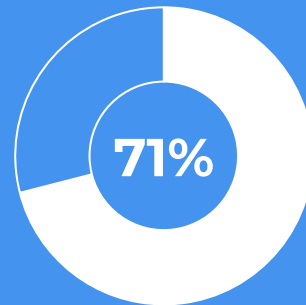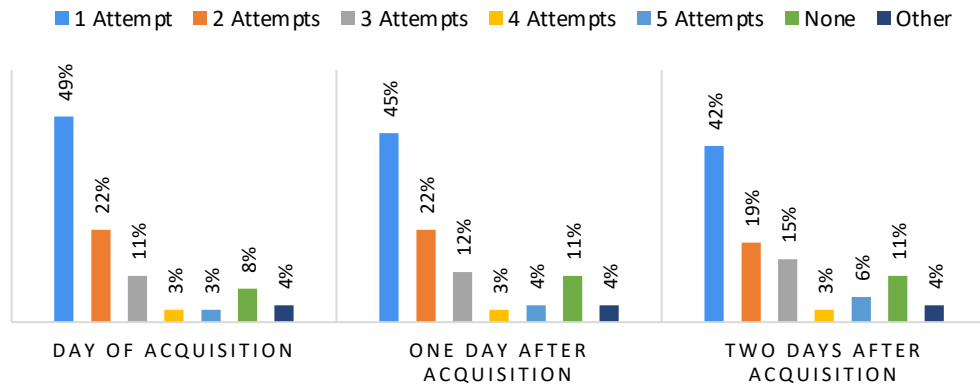
71% Most companies are making 3-5 attempts to contact a lead before discarding it
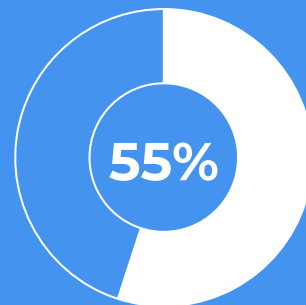
55% Over half of companies are holding on to leads for up to one month before discarding

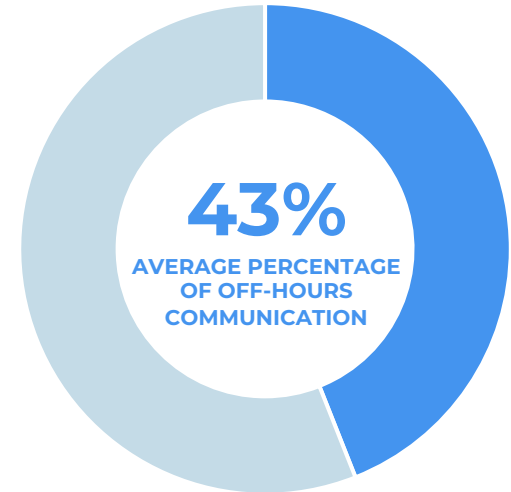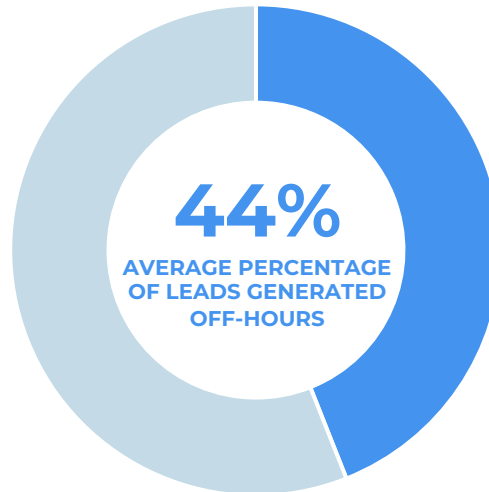**20%** One-in-five companies don't systematically discard leads

6.0 Off-Hours Capabilities

THE IMPORTANCE OF CONTINUOUS SUPPORT

Marketing and sales teams seem to be keeping up with leads generated off-hours, but at what cost? On average, 44% of leads are being generated during non-traditional "business hours" (i.e. morning, nights and weekends). If companies don't have staff and resources available to quickly follow up 24 hours a day, 7 days a week, 365 days a year, this could be a huge missed opportunity for revenue.

ASK THESE QUESTIONS

✓ **How many leads are coming in during mornings, nights and weekends?**

✓ **How long are leads waiting to hear back from your business if they come in during off-hours?**

✓ **Is there automation in place to engage with off-hours leads instantly and intelligently?**

44%
AVERAGE PERCENTAGE OF LEADS GENERATED OFF-HOURS

43%
AVERAGE PERCENTAGE OF OFF-HOURS COMMUNICATION

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7.0 The Research

METHODOLOGY

Ascend2 benchmarks the performance of marketing strategies, tactics and the technology that drives them. With a custom online questionnaire, this survey was fielded to a panel of marketing and sales professionals and marketing research subscribers from a variety of industries.

SURVEY RESPONDENTS

N = 277 Marketing and Sales Professionals

Role in the Company

Owner / Partner / C-Level	22%
VP / Director / Manager	48%
Non-Mgmt Professional	30%

Number of Employees

Fewer than 100	21%
101 - 500	39%
Greater than 500	40%

8.0 The Research Partners

ABOUT VERSE.io

Verse's AI-driven lead conversion platform and managed service pairs respectful, persistent follow-up with a genuine human response from our 100% U.S. based team to identify your hottest prospects.

Once we qualify a lead, you're notified immediately. We live transfer them to you or schedule an appointment on your calendar.

Verse also provides you with real-time engagement history, conversation data, and lead enrichment so your sales teams are always ready to hit the ground running.

Learn more about Verse.io.

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Marketing technology companies and digital marketing agencies partner with Ascend2 to supplement their marketing content, generate leads, and engage prospects to drive demand through the middle of the funnel. Ascend2 performs research for Oracle, Adobe, Vidyard, Dun & Bradstreet, HubSpot, and more. Ascend2 research is regularly featured by MarketingProfs, eMarketer, Forbes, Media Post, Search Engine Land, Marketing Land, Convince & Convert, and more.

Learn more about Ascend2.