Your Guide to Effective Lead Scoring

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This paper focus on the different types of scores that comprise an effective lead scoring model, such as behavior, demographic, and account scores.

Do you know what your marketing funnel looks like? People are hitting your website, attending webinars, downloading gated content, and being emailed without response. Each of these people might be potential buyers. How do you identify which leads are sales ready and which should remain in the marketing funnel?

When you think about the life cycle of a lead, you have to think about lead scoring. Lead scoring is a mechanism, tuned to your business, that is used to identify and prioritize sales-ready leads over those that need more time.

Lead scoring allows sales teams to be more efficient and effective when pitching products to leads interested in buying. It allows marketing teams to effectively target leads through specific programs that deliver quality leads to sales. Additionally, it creates tighter alignment between marketing and sales teams, which leads to higher win rates and increased revenue.

Typically, lead scoring is broken out into two parts, behavior scoring and demographic scoring. Within the last year, Account-Based Marketing has become a popular buzzword. This naturally leads to adding a third life cycle scoring dimension, account scoring.

Demographic Score

The demographic score tells you the lead is close to your ideal customer persona. It is based on information like job title, industry, company size, and annual revenue. It is critical because it tells you how interested you are in the potential prospect.

Behavior Score

A behavior score tells you how likely a single customer is to buy your product. It is based on the lead's activities recorded by your marketing automation platform. Leads who visit your website, attend webinars, download content are showing high interest. This tells you how interested the lead is in your products.

Account Score

The account score tells you the propensity of a company to become your customer. This is particularly in important for B2B companies. This score is based on the aggregated activity of all of your leads associated with the given company. Sometimes, a single lead may not do enough to be passed to sales, but five of her colleagues are also engaging your content. This tells you her company is a good customer fit. The account score tells you how likely a company is to buy your products.
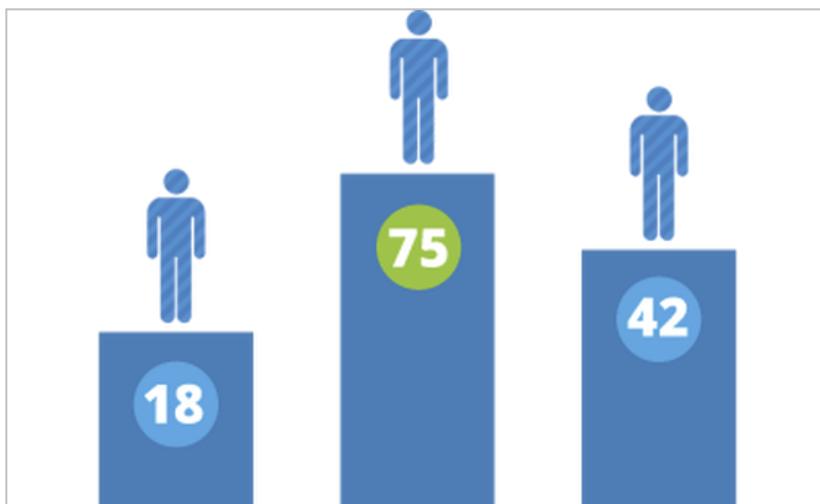

Figure 1: Lead Scoring identifies those ready to buy.

Categorizing Leads Based on Score

Why should you do all of this scoring? Because it is a simple method to track leads as they progress through your marketing life cycle. We propose a life cycle framework with three stages: Suspect, Prospect, and Marketing Qualified (MQL). These stages each correspond to a certain lead score and represent leads at different points in their journey.

Marketing Suspect

Anyone who fits your target market. They may be an anonymous lead in your marketing automation platform, or they may have an email address, but there is no other demographic information or scored interaction with your marketing content. These leads have a score less than 25 points.

Marketing Prospect

A possible future customer. You are starting to understand who they are and they are exhibiting behavior that indicates interest in buying. They have demographic data and are engaging your marketing content. These leads have a score ranging from 25 to 74 points.

Marketing Qualified

These leads have demonstrated a strong potential to buy and fit in your target market. They have acted on one of you calls to action and are ready to move into the sales evaluation process. <u>These leads have a score of 75 points or higher</u>.

With these stages in mind, let's focus on the types of scores and how they can shed light on your potential customers.

Demographic Score

The demographic score is based on a lead's information, like job title, industry, company size, and company's annual revenue. It is critical because it tells you **how interested you are in the potential prospect**. A high demographic score shows how close the lead is to your ideal buyer persona.

A good way to score your leads' demographic information is on a scale from zero to 100. Zero implies you know nothing about the lead or if they fit one of your buyer personas. We recommend setting a maximum score of 100, which indicates that the lead is an ideal fit.

How do you know if the lead is an ideal fit? Divide your demographic data into four categories: Critical, Important, Influencing, and Unwanted. You should look at all the possible demographic information you are capturing (i.e. job title, decision making role, industry, company size, company revenue, geographic location, etc.) and determine which potential values fall under each of the four categories.
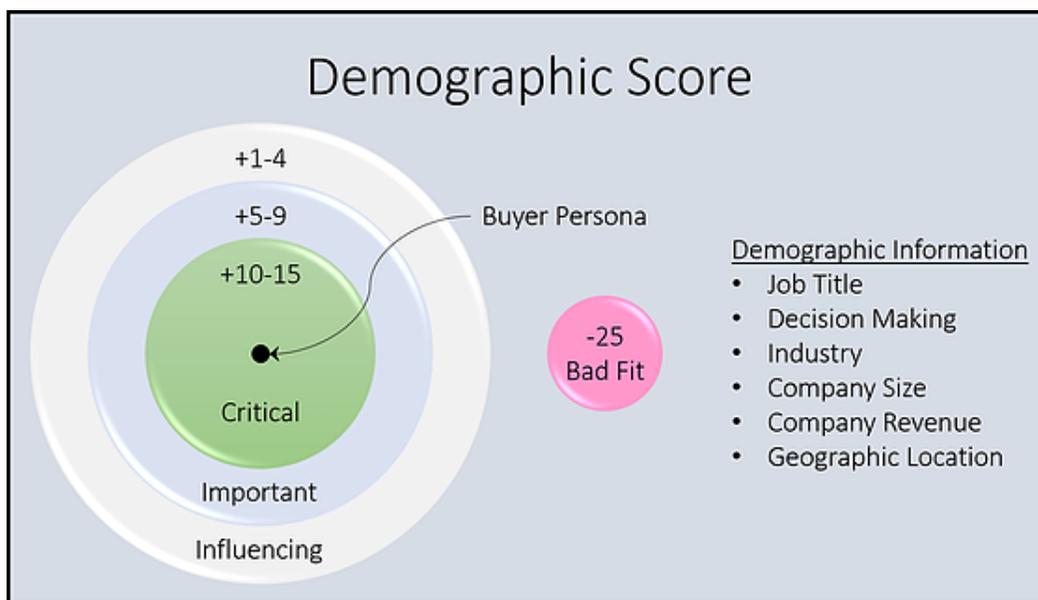

Figure 2: Demographic scoring shows which leads fit your target buyer persona.

Critical (10–15 Points)

Critical attributes are those that are exact fits with your buyer personas. For each critical attribute you should increment the lead's demographic score by 10-15 points. Here is an example of how we use this at ORM: Chief Marketing Officer, Decision Maker, SaaS Technology Product, 1000 Employee Company, $500M in Revenue, and Headquartered in Texas. This lead's demographic score is 72 (6 Critical Attributes x 12 Points).

Important (5–9 Points)

Important attributes are those that are not quite as close to center on your buyer personas. For each important attribute, you should increment the lead's demographic score by five to nine points. Examples of important lead attributes are: Demand Gen Marketing Manager, Part of Decision Committee, Technology Company, 250 Employee Company, $40M in Revenue, and Headquartered in US. A prospect with these six attributes has a demographic score of 42 (6 Important Attributes x 7 Points).

Influencing (1–4 Points)

Influencing attributes are, as you might expect, aligned with those people who are still further from your ideal buyer. For each of these attributes, you should increment the lead's demographic score by one to four points. Influencing demographic information might be: Marketing Specialist, Potential User, Manufacturing Company, 40 Employee Company, $15M in Revenue, and Headquartered in Quebec. This prospect has a demographic score of 12 (6 Influencing Attributes x 2 Points).

Unwanted (-25 Points)

It is important to decrease behavior scores in the event a person is a poor fit for your company. When these attributes are present, we suggest reducing the lead's demographic score by 25 points. An example of this might be: Student, not a decision maker, Works for University, and is based in a Non-English speaking country. This lead is a bad fit and has a demographic score of 0. We do not recommend using negative values.

Demographic scoring is based on having relevant information on your leads. If your lead database does not contain these attributes, you need to start augmenting your data. There are several third-party applications to help with this including DiscoverOrg, RainKing, ReachForce, and ZoomInfo,

Behavior Score

A behavior score is based on a lead's activities recorded by your marketing automation platform. Leads who visit your website, attend webinars, and download content are showing high interest. The behavior score tells you **how interested the lead is in your products**.

A good way to score your leads' behavior is on a scale from zero to 100. Zero implies the lead has not interacted with your content. 100 indicates that the lead has interacted with your content in a way that indicates he/she is ready to buy. Marketing automation platforms are powerful tools that help you track a lead's behavior. They can tell if a lead has visited a website, opened your email, or read your blog post. Each of these behaviors drive a change in behavior score.

To get started with behavior scoring, you need identify which actions are indicators of a lead's propensity to buy your product. Using the same framework as the demographic score, we divide the leads' activities into four categories: Critical, Important, Influencing, and Unwanted. Each behavior, or combination of behaviors, will fall into one of these four categories and will be scored appropriately.

Critical (10–15 Points)

When a lead engages with your content in a meaningful way, a way that is consistent with buying, it is considered critical behavior. Examples of this might include visit to your pricing page, clicking a link in a sales email, attending a webinar, or visiting 10 of your web pages in a single day. When any of these activities occur, you should increment the lead's behavior score by 10 to 15 points.

Important (5–9 Points)

Important behavior indicates that a lead is on its buying journey, but is not yet sales ready. Examples of important behaviors are downloading a white paper, searching for your company name, visiting important landing pages, or visiting five web pages in a single day. These activities should increment a lead's behavior score by 5 to 9 points.

Influencing (1–4 Points)

Influencing behavior occurs early in a lead's life cycle. Examples are visiting any of your web pages, opening an email, or registering for a webinar. When these activities happen, the lead's behavior score should increment by 1 to 4 points.

Unwanted (-10 Points)

It is important to decrease behavior scores when a lead exhibits behavior that is inconsistent with a buyer. Examples of this behavior are unsubscribing from email, a visit to the careers or investor page, or being added to the "do not call" list. These are all indications that a lead is not a buyer. When this occurs the lead's behavior score should be decremented by 10 points.

With this scoring mechanism in place, you can see how interested the lead is in your products. You are now ready to start scoring your leads based on how they interact with your digital content.

Account Score

Organizations looking to increase returns on marketing investment have started shifting their focus to an account-based strategy. Account-based marketing strategies are not new, but they are getting less expensive and more accessible because of advances in technology.

In a recent study, [SiriusDecisions](#) noted that 92% of B2B marketers worldwide consider account-based marketing extremely or very important to their overall marketing efforts. An account-based strategy "flips" your marketing funnel and helps you target key accounts. This approach aligns nicely with sales and will drive better product fit and quicker wins. Account-based strategies are meant to augment your current lead process, not replace it. As a way to cultivate new leads and target key accounts, we suggest adding an account score to your current leads scoring process.

Figure 3: Account based scoring shows which accounts are ready to purchase your products.

An account score **indicates the propensity of a company to become your customer**. This is particularly important for B2B companies.

This score is based on the aggregated activity of all of your leads associated with the given company. Sometimes, a single lead may not do enough to be passed to sales, but five of their colleagues are also engaging your content. Their cumulative activity suggests that the company is a strong prospect and their account score will reflect it.

While firmographic information (revenue, number of employees, industry, location, technology fit, hiring trend, funding, etc.) are all part of account fit, they can be captured as part of a lead's demographic score. A lead's account score, as defined here, is based on the collective activity of everyone at that company. This is particularly helpful to a salesperson, as it allows them to see the collective activity of all the leads for that account.

When your company publishes content, it is done with the intent of targeting certain personas. You might write one blog post for marketers, another for sales ops, and a third for CEOs. Consider the case where a marketer goes to lunch with their sales ops colleague and mentions your company. The sales ops person reads your blog and immediately sends it to their sales VP, who then forwards it to the CEO. They all engage with your digital content, but alone none of them score high enough to MQL. Collectively, however, there is a strong signal that this company is interested in buying.

Account scoring offers a way to capture this interest by adding a third dimension to your lead scores. It is a great way to augment the behavior and demographic scoring you are already doing. A good and simple approach is to score account behavior from zero to 100. Zero implies no one at that lead's company has interacted with your content. 100 indicates that there are multiple leads from one company engaging with your content and likely to buy.

Once you add an account-based score to your leads, you need to figure out how it will trigger leads to transition between stages. You will have to update your current criteria that only uses demographic and behavior score. What was once a scoring matrix, is now a three-dimensional scoring cube. One suggestion is to require a minimum score of 25 in all three categories, and a total score of 100 before a lead becomes an MQL. The key is to make sure all three categories are fairly represented as part of a lead's overall score and to correctly build the logic in your marketing automation platform.

Implementing account scoring on leads can get complex. While the concept is straightforward, your marketing automation platform is built around leads, not accounts. Because of this, aggregating all of an account's activities into one account score requires creative thinking. The best solution to integrate this into your marketing automation platform is to find a third-party to help. It will save you time and will ensure you are identifying your highest quality leads and accounts.

Bonus: Social Score

There are 2.8 Billion active social media users worldwide. 2.8 Billion! They interact with companies everyday on many different platforms. How does social media behavior play into your lead scoring strategy? We have all heard "if you are not leveraging social media you are losing to your competition", but if you are not using social behavior in lead scoring, you are missing easy wins.

Social media is where your prospects and customers communicate with each other. Are you listening to what they're saying? If you want to engage your prospect and customers in a meaningful way, you must first listen. Online conversations often contain information that tell you where a person is on their buying journey.

Figure 4: Social lead scoring identifies those that are ready to buy now.

While developing a comprehensive social media strategy can be a big task, you can start small by including social behavior as part of a lead's behavior score. As long as you can capture social media activity in your marketing automation platform, you can score it. Some marketing automations platforms do this natively, but others require a third-party application, such as Hootsuite, Oktopost, and Percolate.

Since social scoring is part of behavior scoring, you can follow our previously defined framework and score actions in the Critical, Important, Influencing, and Unwanted categories.

Critical (10–15 Points)

- Explicitly states they are ready to buy a product that you offer.
- Expresses a business challenge that you help solve.
- Mentions your company or product with positive sentiment.
- Uses key terms that align with your product offering.

Important (5–9 Points)

- Retweets, likes, or share your content with comments.
- Uses key terms that align with your company.
- Follows your company, or company leadership.

Influencing (1–4 Points)

- Retweets, likes, or shares your content without comment.
- Follows industry thought leaders.
- Uses key terms that align with conferences or events related to your industry.

Unwanted (-10 Points)

- Mentions your company or product with negative sentiment.
- Explicitly states they have recently purchased from a direct competitor.

You are now ready to start scoring your leads based on social behavior. Using a lead's social score combined with its behavior, demographic, and account score gives a full picture of your lead and their propensity to buy your products.

Conclusion

Lead scoring is an extremely helpful in identifying leads that are ready to buy your products. Scoring can be broken down into four helpful categories: demographic, behavior, account-based, and social. This provides a full picture of who your leads are, how they behave, how likely their company will purchase, and how they use social media to interact with your company.

At ORM Technologies, we specialize in marketing analytics and optimization, including predictive lead scoring, revenue attribution, creating an optimal marketing mix, and quantifying marketing's contribution to revenue. To find out more about how lead scoring can improve your marketing process, contact ORM Technologies at (469) 269-6760 or email us at info@orm-tech.com.