

***IMPROVING DEMAND GENERATION:***

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***USING 'DRIP-MARKETING'***



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# IMPROVING DEMAND GENERATION: USING 'DRIP-MARKETING'

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## ABSTRACT:

The way marketers communicate with customers and prospects is constantly changing. The introduction and acceptance of channel/VAR relationships, customer touch-points, and continual product enhancements is creating a hot bed of marketing opportunities. While these changes take place, privacy regulations are tightening, customer response rates are decreasing, and consumers are searching for technologies to enhance their ability to filter marketing efforts. The bottom line is that customers are becoming more in control of how and when marketers communicate with them.

In 1993 when *"One-to-One Marketing"*, by Peppers & Rogers, suggested that customers should be treated as individuals our world was just being introduced to the Internet as a viable marketing communications channel. The need to use data to engage customers as individuals through a worldwide network of computers was an enlightening combination that forever changed the way we market. Regardless of how you use or understand the Internet, one thing is for sure--the world is a much smaller place than it was before. Companies that harness the Internet and embrace its ubiquitous nature enjoy a distinct advantage over their competition. No matter where companies are based, marketers must address the enormous consumer backlash that the Internet has created and its affect on Business-to-Business (B2B) and Business-to-Consumer (B2C) marketing. Despite the various channels used to market their products or services, marketers cannot ignore and the fact that a change in government regulations and buying attitudes requires a shift in marketing strategies.

Savvy marketers capitalize on these events to differentiate their companies and increase their market share. This paper introduces break-through, effective strategies affecting demand generation that marketers can use to bridge the gap between companies and customers in this new marketing age. Quality demand generation utilizing aggressive marketing programs is essential for a sales team to continually hit its numbers. Without them, most companies will fail to achieve their objectives and certainly, underachievement is not an option.

### **A GOOD DEMAND GENERATION PROCESS INCORPORATES THESE FUNDAMENTAL AREAS:**

- 1) **MESSAGE EXECUTION** where prospects are identified and campaigns are defined
- 2) **RESPONSE MANAGEMENT** where initial responses are distributed
- 3) **QUALIFICATION & LEAD MANAGEMENT** for lead-nurturing and human qualification by telemarketing/sales services.
- 4) **SALES ENGAGEMENT** for opportunity profiling, classification, prioritization and business acquisition.
- 5) **CUSTOMER RETENTION** where “Drip-Marketing” enables companies to cross-sell and up-sell customers. Though all companies employ demand generation in one form or another, many companies fail to evaluate and modify process areas for improvement. The failure to refine and improve the demand generation process will ultimately result in fewer quality leads, extended customer acquisition cycles fewer sales, and increased costs.

The sections below describe the common challenges that sales and marketing business units are struggling to refine and strengthen. Typically, sales teams are gauged by how much revenue they produce. Often MBO's or non-revenue related objectives are used to supplement the performance of a sales business unit, but revenue will always remain the primary yardstick. The performance of a marketing teams is much more difficult to gauge because revenue is difficult to measure and often the performance of a marketing business unit is based on lead generation with the total number of leads generated as the primary criteria. Focusing on leads alone causes the quality of the actual lead(s) generated (the real value) to be ignored resulting in a sales and marketing disconnect allowing “un-classifiable” leads to clutter and clog the sales pipeline.

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## CONNECTING SALES WITH MARKETING / "RIGHT-TIME SALES"

Right-time sales focuses on delivering the best marketing or sales message to a customer at the right time while identifying the customers' interest in the message delivered. The difficulty is in adopting a discipline to actually DO it. By delivering appropriate information to a buyer or customer when it is needed creates high value to customers and in return to organizations. Companies that employ "right-time" sales understand the significance of the shift in marketing timing from the classic style or "interrupt-driven" marketing practices. This new "customer-driven" model delivers to customers sales or marketing information when they are most receptive, and in turn, informing the salesperson of the buyers' interest based on customer behavior. This creates a powerful selling situation for any sales team.

The advantage to a company of employing "right-time" selling principles is great, because it addresses several challenges including the impact of lost selling confidence. Low seller confidence may attack a sales person at any point in his or her development. When low confidence sets in a salesperson experiences cascading or domino effect of negative issues that a management team must address immediately to prevent the devastating effects on company sales performance. This cancerous attitude if left unattended will bring an otherwise efficient and productive sales team to its knees. There are several ways to address this phenomenon but there is no single proven remedy. Sales managers cannot indulge in denial hoping this never happens to their sales teams, for hope is not a strategy and the issue must be dealt with either directly or indirectly. "Right-time" selling principles are an effective deterrent to this problem. By giving the sales person new insight based on real-time information about his customers' interest level, now the sales person becomes excited in their *new knowledge* maintaining the positive attitude needed to move the selling opportunity forward. Establishing a positive attitude throughout the sales team enables companies to avoid the disaster of lost sales confidence.

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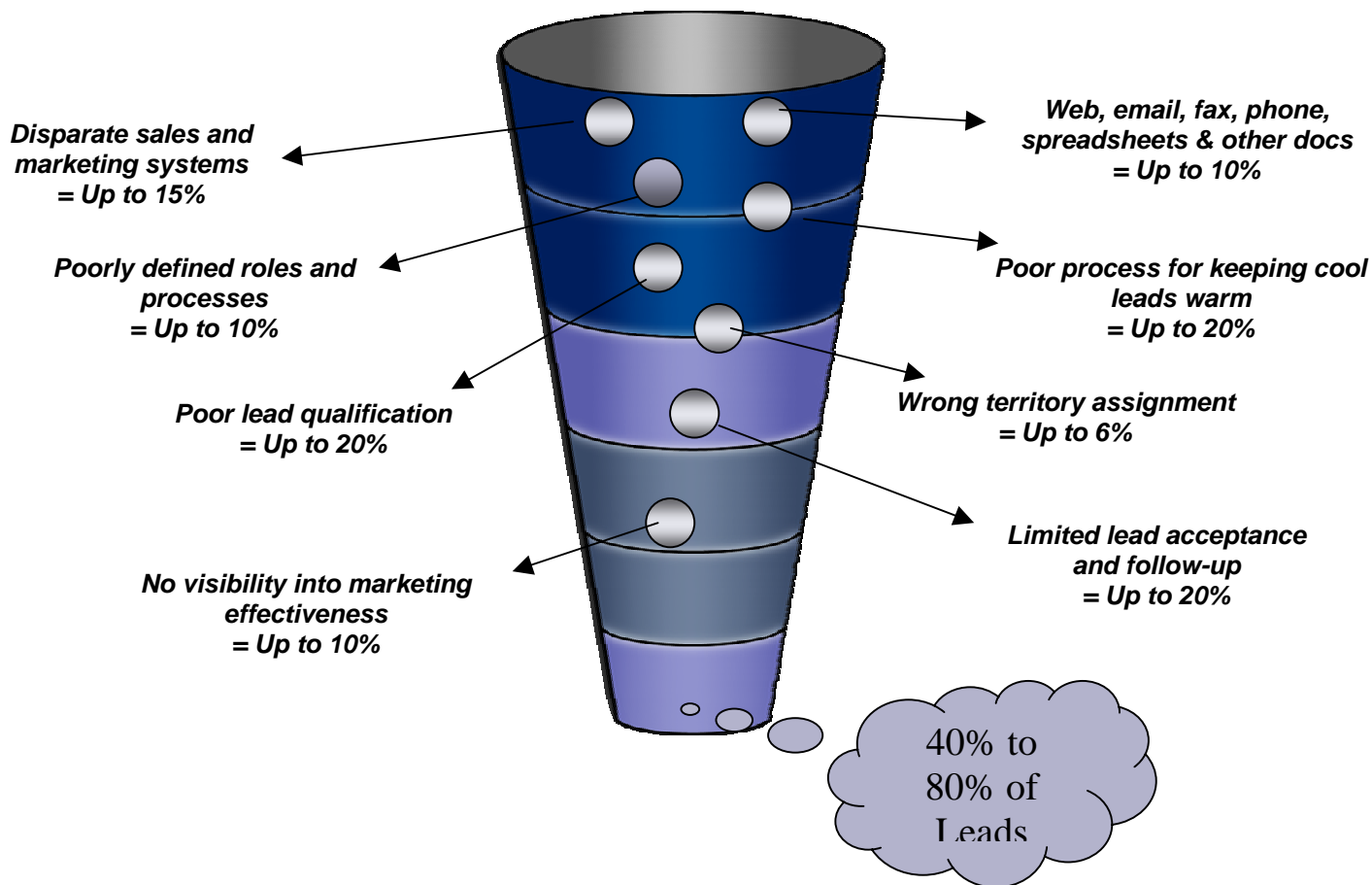
## SALES FUNNEL FALL-OUT

Studies from leading Analysts (Yankee, Gartner, Meta, Forrester, IDC, eMarketers) agree that leads *fall-out* and good leads are not differentiated from bad leads. During the demand generation process there are a variety of reasons for leads to *fall-out* of the sales funnel. Concerned companies know that it happens to most if not all demand generation processes--even exceptionally designed and executed systems. Companies are beginning to recognize that there are many ways to significantly slow down this expensive state. Some of the most serious offenders are:

- Disparate sales and marketing systems
- Poorly defined roles and processes
- Poor lead qualification
- Weak processes for converting "cool" leads to "warm" leads
- Incorrect territory assignments
- Low lead acceptance and follow-up
- Lack of sales input into the marketing process.

Most teams working on demand generation processes believe that as much as 80% (figure 1) of the leads in sales funnel dissolves before they reach the sales team! Fortunately these trends are beginning to be understood at the management level and priorities are being set stop the bleeding from the top down,

Companies refusing to accept that their demand generation processes are leaking leads will quickly be passed by their competitors and rapidly begin to lose market share and experience continuous erosion in marketing ROI.



By addressing the disparate systems issue, several benefits will appear. The first of which is a recognition and agreement among the teams of what a qualified lead really means. Implementing technology that standardizes the demand funnel can begin to create a symbiotic relationship between sales and marketing. Typically, sales teams are skeptical of the quality and quantity of leads generated by marketing, and, marketing executives continually distrust sales capabilities to close the tens of thousands of leads generated by marketing. This classic struggle must be overcome in many technology companies or any high-turn industry.

Second is the ability for management to have accurate reporting capabilities to evaluate specific campaigns. The technology now exists to compare marketing events and campaigns based on the success of qualified leads generated by the

respective campaigns. By improving managements' insight into demand generation processes, companies can expect to achieve a significant improvement in marketing ROI and sales team acceptance of leads generated will improve lead follow-up and increase close rates.

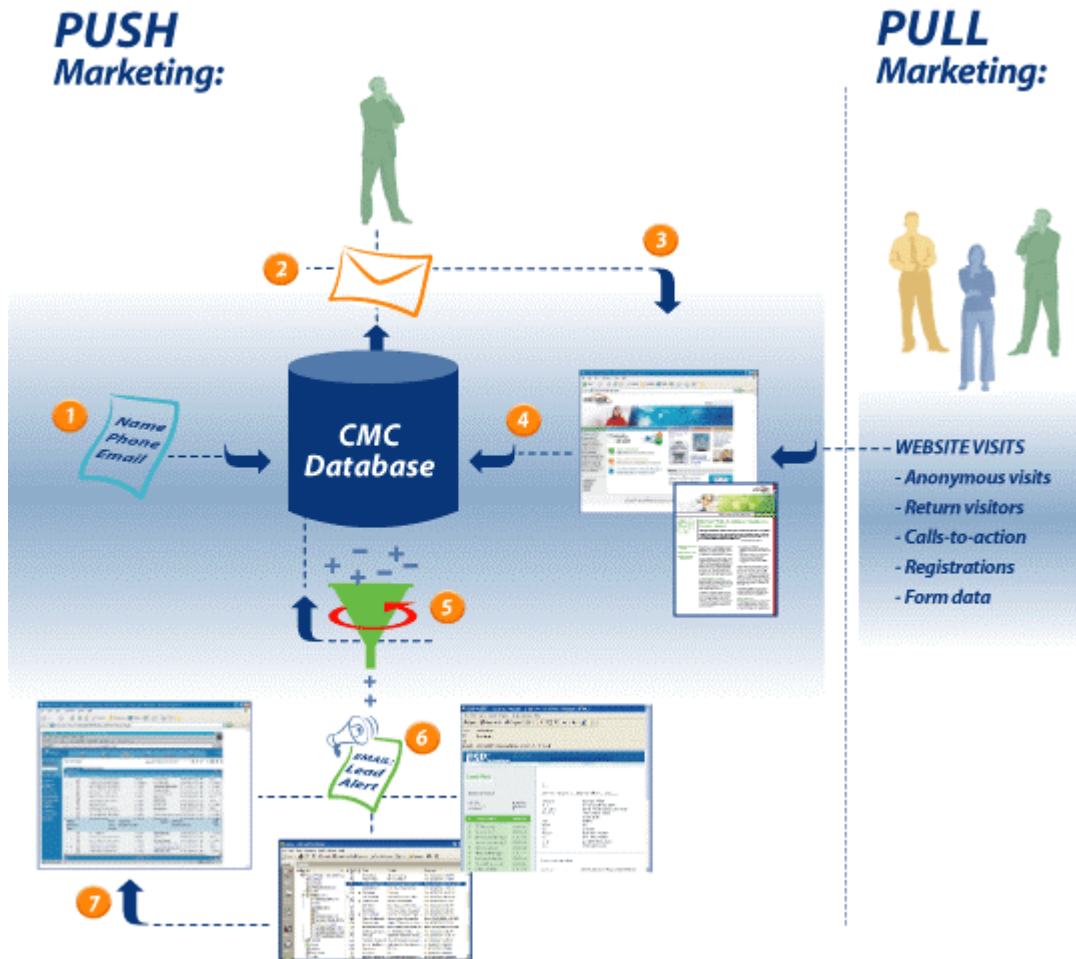
Lastly, in a stronger more effective demand generation funnel by streamlining demand generation processes a companies will begin to experience a higher degree of predictability in campaign results, more appropriate campaigns being funded and less effective campaigns being retired.

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## **HIGH-FOCUS, HIGH-TARGET SPECIAL EVENT MARKETING**

Often marketers target specific audiences with advertising, seminars, or, Webinars that are designed to elicit a particular response or promote a specific product.. An example is a campaign written for a CIO that promotes the migration to a new software product, or, one designed to gain the support of a CFO based on ROI. Regardless of your profile target or campaign design, e-mail communications is a highly effective method for delivering highly focused campaigns. This is especially true when you consider e-mail has become and still remains the communication method of choice for C-level executives.

When special event driven marketing campaigns, are coupled with technology that identifies the interest (or non-interest) of recipients and provides direct feedback to the sales or marketing team can mean the difference between success and failure. The power of bi-directional feedback always adds significant value. It enables you evaluate current and to plan future special event campaigns to include messaging, delivery, and, timeliness. It positively impacts sales force confidence ensuring that follow-up is timely, targeted, and effective.. By knowing the level and areas of interests of a prospect BEFORE a sales follow-up, arms the rep with valuable information necessary to increase confidence and the probability of closing business.



## DRIP MARKETING: CUSTOMER ACQUISITION & RETENTION METHODS

All marketing organizations focus on acquiring, retaining, and increasing value. To make sure customers remain loyal and become profitable, marketers must implement on-going "drip-marketing" strategies that match customer preferences and professional expectations to increase loyalty, to create cross selling opportunities and establish long term relationships. All communications delivered through "drip-marketing" methods must be personal, timely, and consistent across all touch-points. "Drip marketing" enables marketers to define, plan, execute and track customer-centric programs that implement best practices that satisfy changing customer attitudes concerning direct marketing and comply with new government rules and regulations. These programs result in increased customer loyalty, profitability and marketing effectiveness.

Marketing shapes customer knowledge and is therefore critical to the success of not only customer-focused marketing but to the entire organization. Most organizations have or anticipate implementing traditional CRM applications. Whether commercial or proprietary, each should strongly consider incorporating “Drip marketing” as a strategic starting point for its CRM initiatives.

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## 9 STEPS TO SUCCESSFUL “DRIP-MARKETING” :

- 1) Determine your strategic objective(s) and internal policies. Drip marketing is a process that requires technology enablement in order to succeed.
- 2) You must be aware of data privacy and customer-centric marketing. Corporate-level privacy and marketing policies must be developed to adhere to Can Spam Act of 2003 and other Government regulations. The law is rather broad and does not specifically address the details of every scenario. <DOWNLOAD THE FULL TEXT OF THE NEW LAW [HTTP://WWW.SPAMLAWS.COM/FEDERAL/108S877.HTML](http://www.spamlaws.com/federal/108s877.html) >
- 3) Define a path for success that helps you define measurable and achievable milestones that leads you towards your customer-centric goals. In other words, think from the customers’ perspective when defining your “drip” messages.
- 4) Develop data strategy that allows you to easily maintain privacy and compliance through times heavy drip-marketing cycles. (i.e., end of quarter, product release cycles, tradeshow season)
- 5) Make it easy for customers to express their preferences regarding communications channels, timing (daily, weekly, monthly), and content (information, offers, product, etc.)
- 6) Develop complete customer understanding in each customer segment – listen to your customers by using exception reporting on follow-up and re-target “drip” campaigns.
- 7) Think of your “drip” campaigns as a service to take advantage of customer-driven marketing opportunities such as web site visits, inbound calls, confirmation and operational e-mails and communications.
- 8) Improve your “drip” responsiveness by putting appropriate operational processes and technologies in place to decrease time to market and ensure creative compliance.
- 9) Continually improve your “drip” process by taking time to test, measure and evaluate the effectiveness of your “drip” marketing approach. Don’t assume just

because you are following the initial goal set of your campaigns that your “drip” campaigns are successful. Put methods in place that can actually improve your campaign. (i.e., If your “drip” targets are not opening your e-mails or responding to your messaging, you need to reevaluate the relevance of your information and communications content.)

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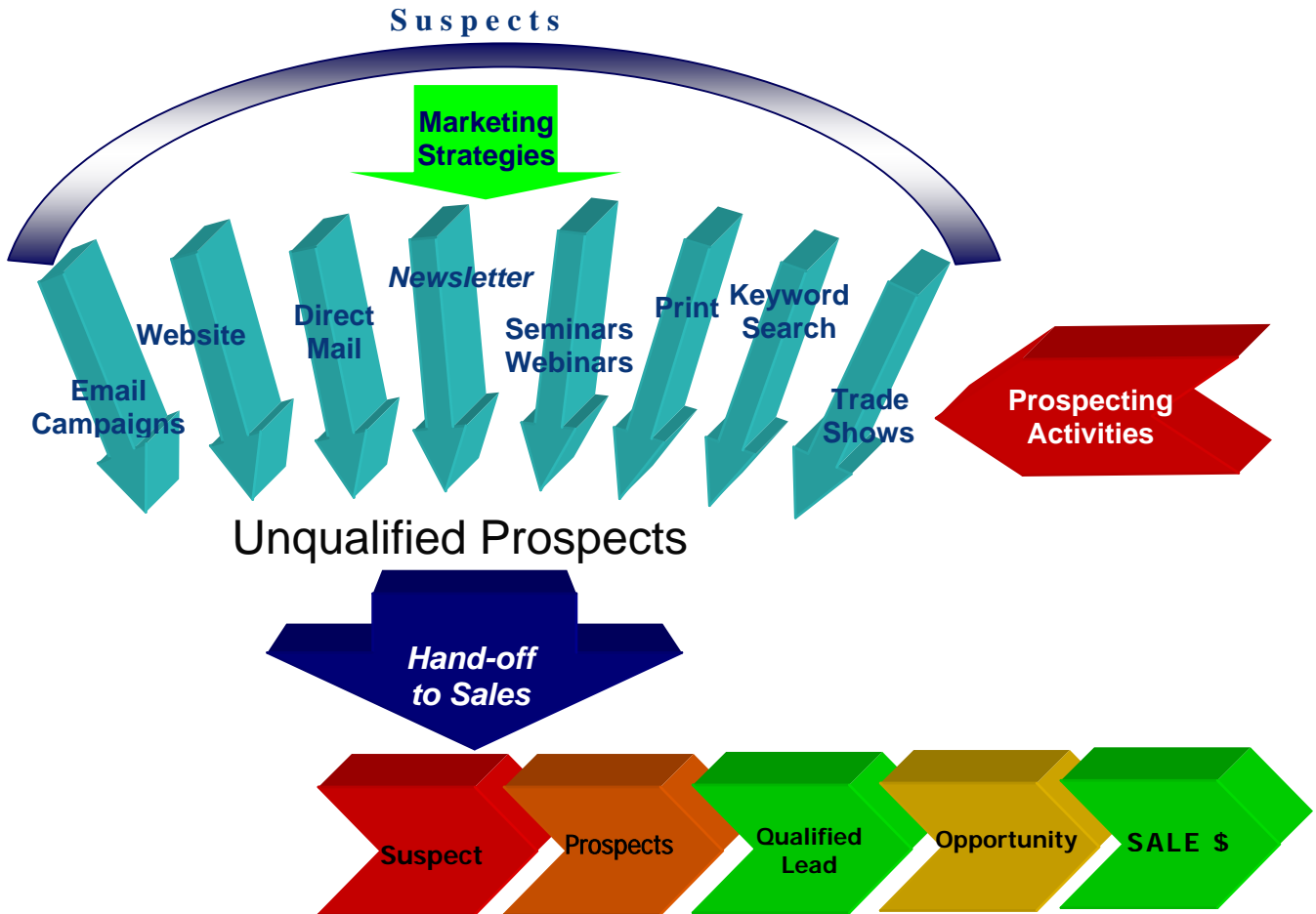
## **LEVERAGE MARKETING & SALES SKILL POSITIONS USING TECHNOLOGY**

Most companies use various marketing touch-points to generate leads. Touch-points can be special events, cold calling, seminars, Webinars, tradeshow, direct mail, conventional ads, interactive ads, or, websites. Each of these has its place and is widely used in a multitude of industries. Though most companies’ marketing organizations are perpetually evaluating and analyzing which methods are appropriate for them, few actually roll out a plan to route customer feedback of the messaging directly to the sales team. By ignoring the power of this “next step” that marketing organizations are not taking advantage of technology that is available today and ultimately enables a sales organization to focus their time on closing the most qualified leads, improving Marketing ROI, and decreasing customer acquisition time.

FIGURE 1 below shows the typical or “Current State” of a lead generation process and where leads are handed off to the sales team in the demand generation cycle. In this state, sales teams are spending substantial amounts of time in the qualification stage and valuable time better used for negotiating and closing business.

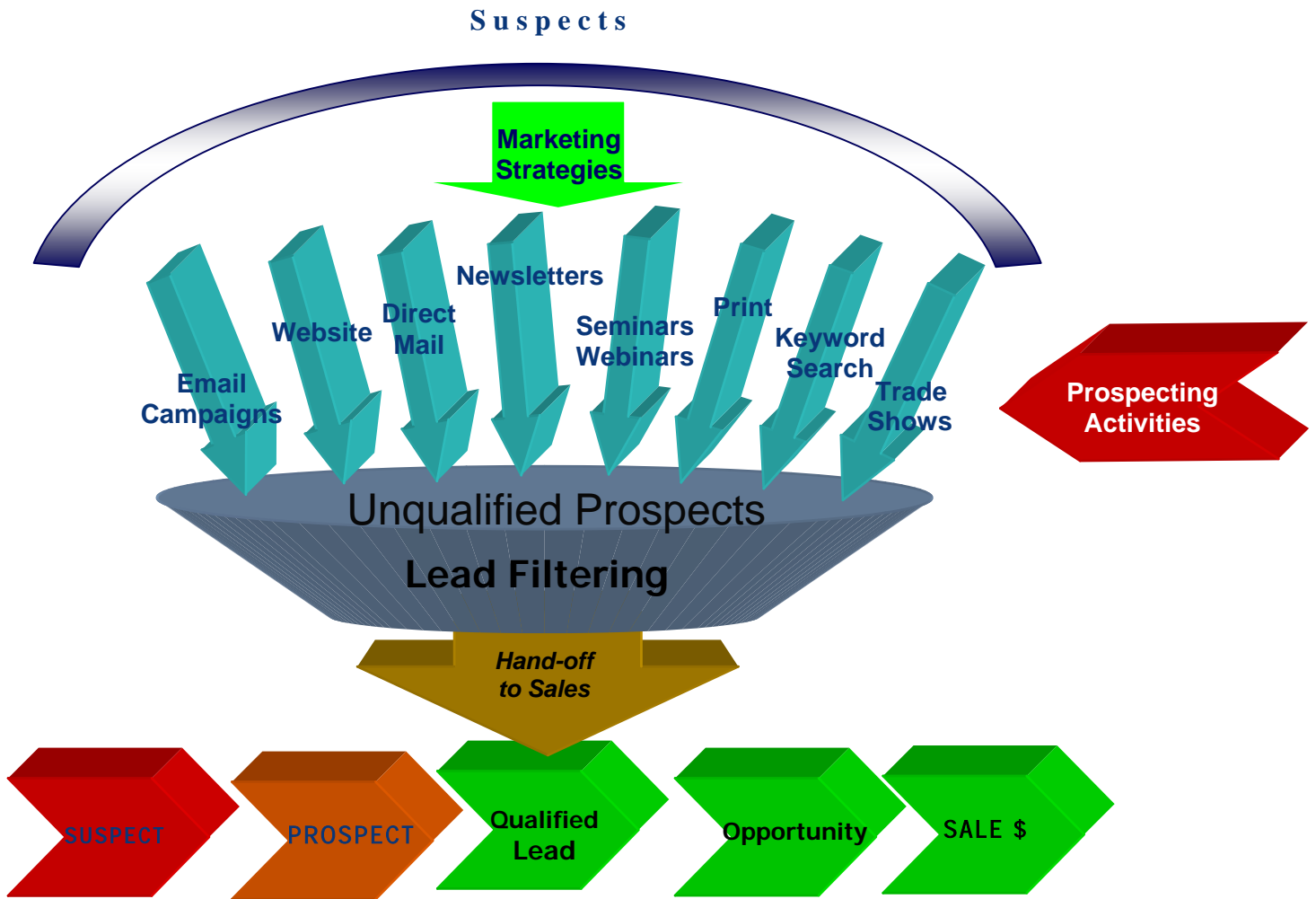
FIGURE 2 below shows the “Desired State” of the lead generation process where marketing efforts produce better-qualified leads that are dynamically delivered to sales at an advanced stage of the sales process. Sales activity begins with a higher quality lead that results in more time to spend on higher return activities such as defining project requirements, negotiating contracts, and, closing deals. If marketing strategies adopts the philosophy of thoroughly qualifying leads businesses can substantially increase the leverage of their sales organization and significantly improve their top-line results and sales productivity.

CURRENT STATE:  
FIGURE 1



DESIRED STATE:

FIGURE 2



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## CONCLUSION

Companies are sending a clear message that demand generation processes are broken. If solutions are not implemented to improve the demand generation process, market share will be lost, market capitalization will be surrendered, and investor confidence will be undermined. Once the demand generation process issues are addressed, outbound marketing campaigns will be highly focused and permission based marketing events will be a reality, resulting in much higher response rates from demand generation events. Inbound channels will become up-sell, cross-sell, and, retention-enhancing opportunities that can help retain shareholder and investor loyalty. Marketing will become a seamless part of the customer acquisition experience, and correctly perceived as a true value add to any organization.

By adopting technology to fix the issues covered in this paper, companies will be able to take greater advantage of existing customer relationships, which if managed correctly, will enable to significantly increase employee confidence and improve lead quality. All marketers who rely on mass outbound demand generation programs as a primary means for acquiring new customers, must be prepared to adopt a more effective way of growing and addressing these challenges.

ESP™ from W5 Technologies, Inc creates a new avenue for revenue generation and improving the demand generation process.