

Nurture Marketing

Top 5 myths



Nurture marketing is expensive

Any nurture marketing program requires a budget and/or personnel. But it may be even more costly to let qualified leads fall through the cracks.

According to Brian Carroll, up to 80% of the qualified leads ignored by the sales team typically end up buying the product or service within two years. Those leads may not be 100% qualified at the time of the first interaction with a sales representative but they definitely mature to become fully qualified. Without a nurture marketing program, they would undoubtedly be lost, often to competitors who easily snatch them up.

When establishing your marketing budget, bear in mind your program goals and the resources at your disposal. You're better off starting with a small targeted list of 300-500 accounts, for example, and then slowly expanding the program instead of halting a more ambitious program due to a lack of resources.

The cost of a nurture marketing program can be established on the basis of four key components:

- Size of the target market and ability to extract data
- Communication mix (direct mail, e-mail, phone, fax, etc.)
- Frequency of communication
- Content availability (articles, case studies, etc.)

At the end of the day, the key measurement of performance is not so much the cost of the program as its return on investment.

Nurture marketing is only useful to acquire new customers

While a nurture marketing program that targets existing customers typically yields a higher return on your investment, many organizations still prefer to focus their efforts on new business development. Nurture marketing programs that focus on an existing customer base are generally more successful because they leverage and deepen existing relationships. Moreover, it can hardly be assumed that simply because a client has already acquired a specific product or service, she would not be interested in superior or complementary products or services.

Finally, let's not forget that nurture marketing not only serves the purpose of increasing revenue, but is also a very effective way to maintain a high level of customer satisfaction. As a result, your organization can easily obtain client referrals, which, in turn, can be used to convert new prospects into new clients.

Nurture marketing requires a CRM solution

Actually, you could start a nurture marketing program with only a good contact database, but overall, a CRM solution produces better results because it facilitates the lead transfers between sales and marketing. Also, a CRM solution makes it easier to track and measure the effectiveness of your nurture marketing program with key performance indicators such as the number of additional qualified leads, the lead/sales conversion rate, the average sale value, and of course, the return on investment.

So, while a CRM solution is not a requirement per se, it may give you an advantage over competitors, especially if it's being used effectively.

The best way to nurture potential customers is just to do follow-up calls.

There's no denying the value of follow-up calls, but they should not be the sole component of a nurture marketing program, for several reasons.

First, it is more and more difficult to reach people over the phone, especially decision makers. A nurture marketing program that relies on call backs as the only method of staying in touch is definitely limiting its reach.

Second, it is important to respect your audience's communication preferences. Some people simply do not want to speak to a sales representative over the phone, and may even ask you to remove their name from your calling list. Currently, in Canada, the CRTC imposes penalties on organizations that do not comply with telemarketing rules and regulations.

The recommended approach is to build a multi-channelled program, using a combination of letters, postcards, 3D mailers, e-mail communications, faxes, online responses, etc. In this method, a follow-up call is a perfect complement to the other communication channels. This multi-faceted approach is ultimately more effective because you can use your letter, e-mail, or web responses as a way to prioritize follow-up calls.

Content doesn't matter, as long as we send something

This boils down to saying that speaking in and of itself is more important than having something interesting to say. It is probably not the best way to position yourself as an expert or a leader in your field.

As David Maister said, do not only assert, demonstrate. People trust those who have clearly demonstrated that they know what they're talking about. To do this, organizations can develop their own content. This may take the form of case studies, evaluation guides, FAQs, articles, webinars, or even podcasts. The only challenge with this approach is that it requires a great deal of resources.

Consequently, organizations should not hesitate to refer their target audience to third-party content, with proper attribution. This could be an interesting article signed by an industry expert, your opinion on a book that has just been released, or even a whitepaper by a research company. It all depends on the scope of your nurture marketing program and the available resources, but you should not think twice between referring people to third-party

materials and providing them with mediocre content.

On another note, your audience expectations may vary greatly depending on how advanced people are in the qualification process. At the beginning, they may be more interested in educational materials. At this point, general information that provides insight such as research reports, statistics, etc. may be more appropriate. Later on, potential clients will probably be asking more specific questions, for which interactive media such as webinars or seminars would be an excellent fit. As prospects mature in the qualification process, they would find promotional offers such as rebates, combos, etc. more appealing.



¹ Carroll, Brian, *Lead Generation for the Complex Sale*, 2006.

² Maister, David, *The Trusted Advisor*, 2000.