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December, 2004

# Sales Lead Generation and Management Best Practices Study

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The logo for bitpipe, featuring the word "bitpipe" in a bold, blue, sans-serif font. A red arc is positioned above the "i" and "p". A thin red horizontal line is located directly beneath the text.

## Executive Summary

### **Purpose:**

The purpose of this study was to determine the issues involved in technology sales lead generation and management, how companies generate sales leads for their sales force and the processes they use to manage them through their pipeline. Some of the information sought included the methods used to generate sales leads; information on whether companies have a coherent content marketing strategy in place that utilizes their company's content to generate sales leads; the process for qualifying a lead and the overall effectiveness of the sales lead generation and management process.

### **Summary:**

57.5% of those surveyed have a content marketing strategy in place that uses their company's content to generate sales leads, yet 78.5% of respondents spend less than 10% of their budget on the creation of content.

72.6% agreed that the gap between the generation of sales leads by marketing and the use of those leads by their sales team has made it difficult to measure the ROI from their marketing efforts.

69% of those polled experienced difficulties in tracking contacts from their lead generation programs through the sales cycle.

Over 54% reported that they use a third-party vendor for their lead generation activities.

Only 24% of those polled have a structured, well-defined process for determining when a sales lead is a "qualified sales opportunity."

Companies that reported an effective lead tracking and management process with good integration between their lead generation and sales activities reported a higher conversion of leads to sales.

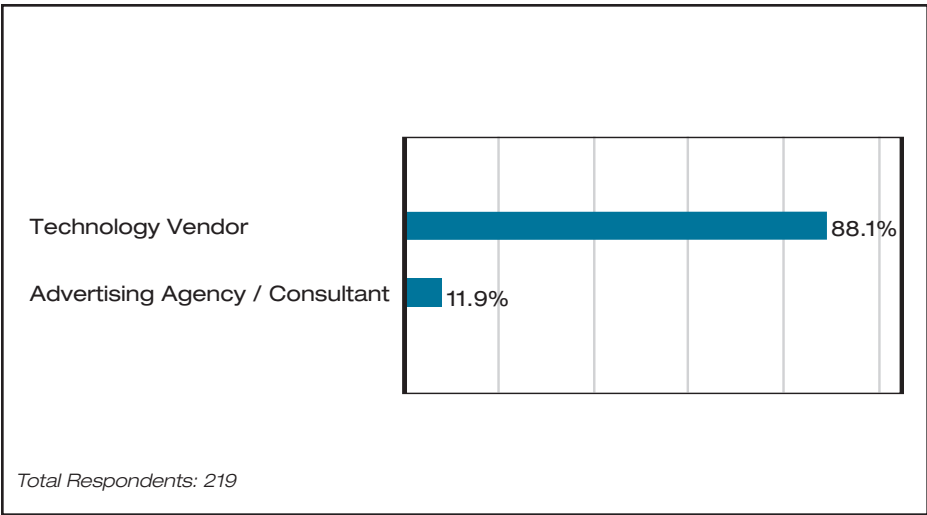
### **Methodology:**

The 2004 Sales Lead Generation and Management Best Practices Study, conducted through InsightExpress, an independent third-party research firm, was sent to a list of 11,966 technology marketing professionals provided by Bitpipe, Inc. The survey was conducted in September 2004. A drawing for an iPod Mini was used as an incentive. As of the closing date, a total of 219 responses had been received.

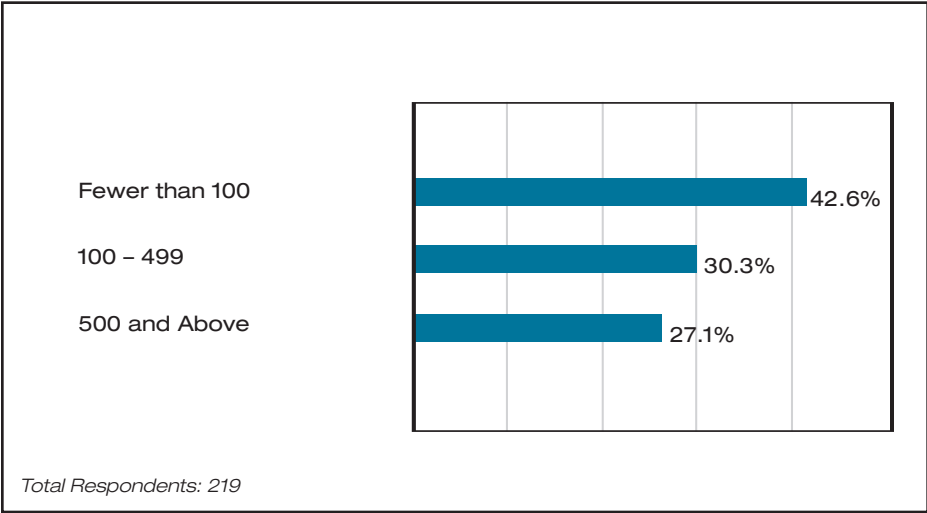
Please note that percentages in this study may not always add to exactly 100% due to rounding.

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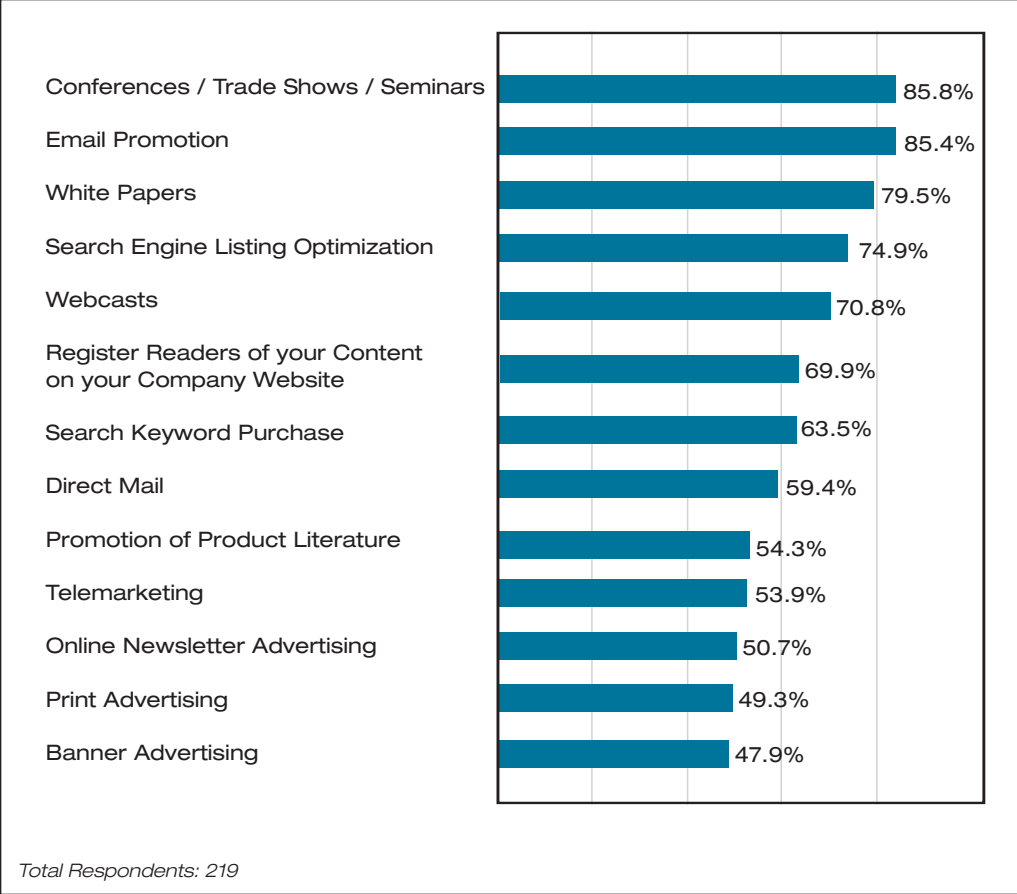
1) What type of organization do you work for?



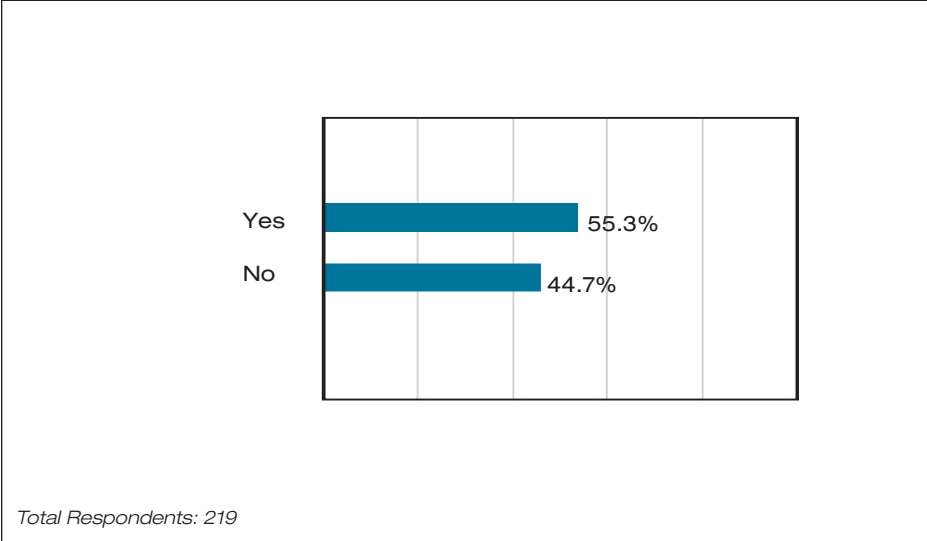
2) How many people are employed in your company worldwide? (Please select only one)



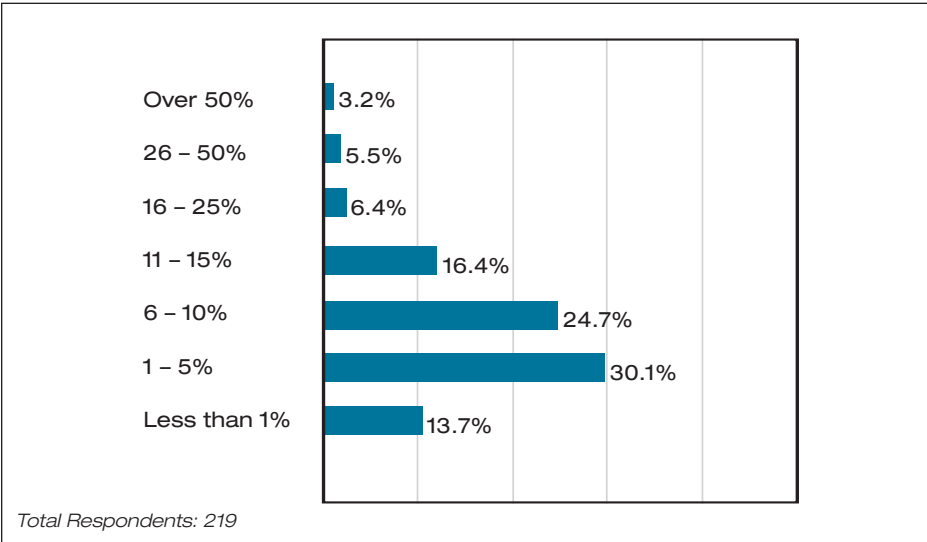
3) Which methods do you use to generate sales leads? (Select all that apply)



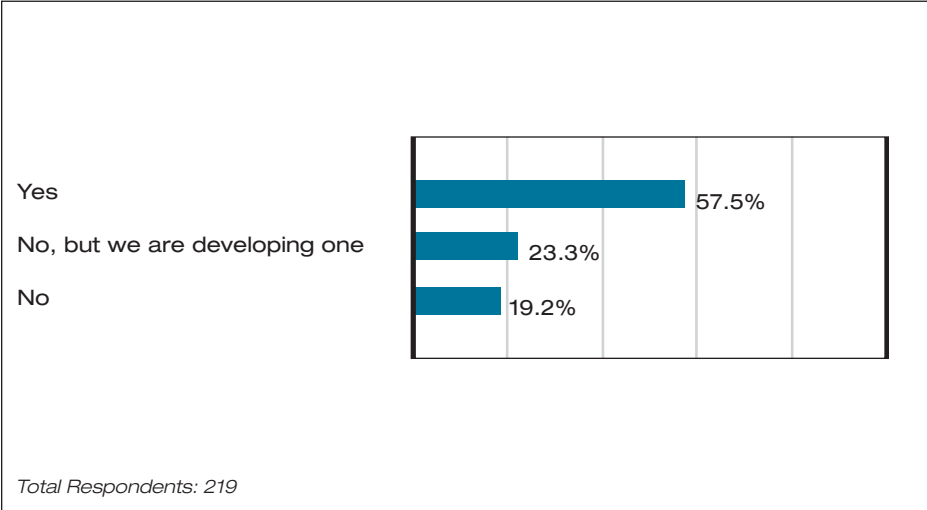
4) Does your company have a specific line item in its marketing budget for the creation of content for marketing programs?



5) What percentage of your marketing budget is spent on the creation of content for your lead generation programs?

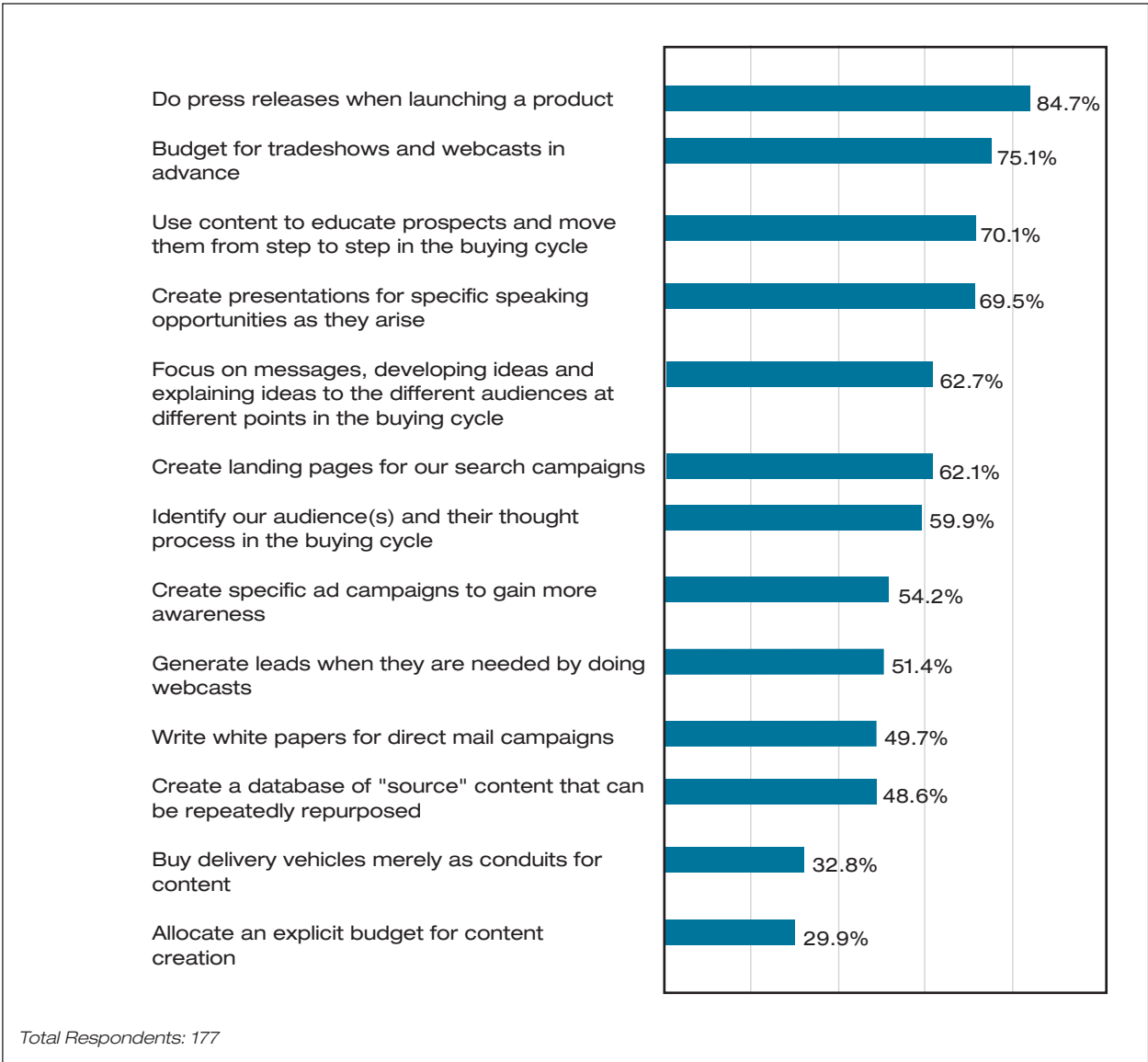


6) Does your company have a content marketing strategy in place that uses your company's content to generate sales leads?



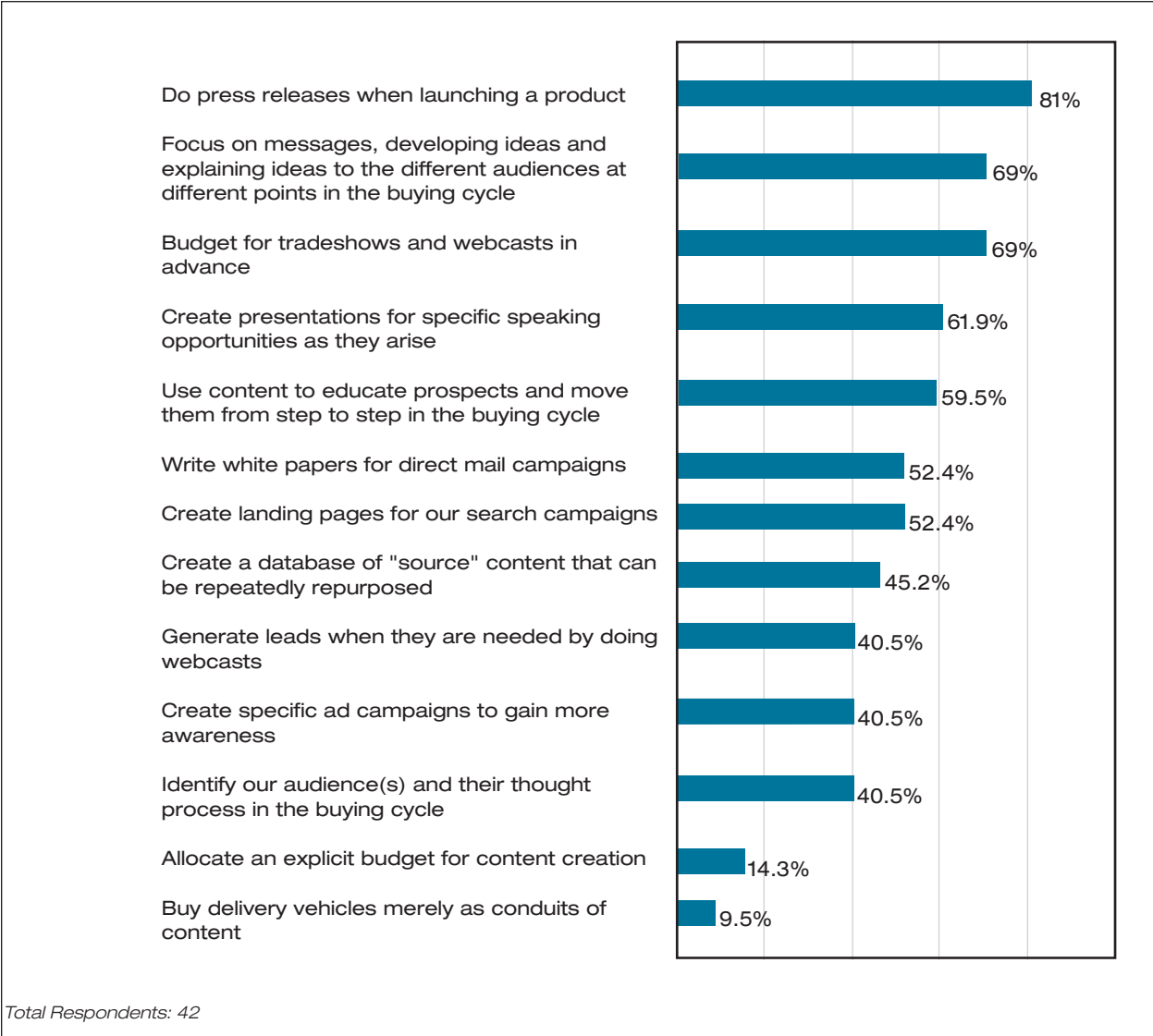
7) Which of the following statements best describe your company's content marketing strategy?

*(Those who answered "yes" or "are developing" a content marketing strategy)*

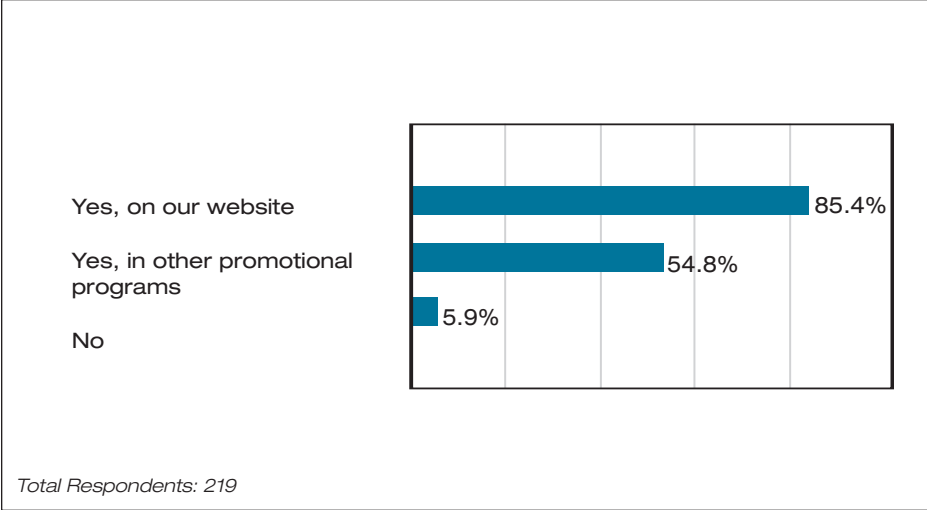


8) Which of the following best describes a content marketing strategy that would fit your company?  
*(Select all that apply)*

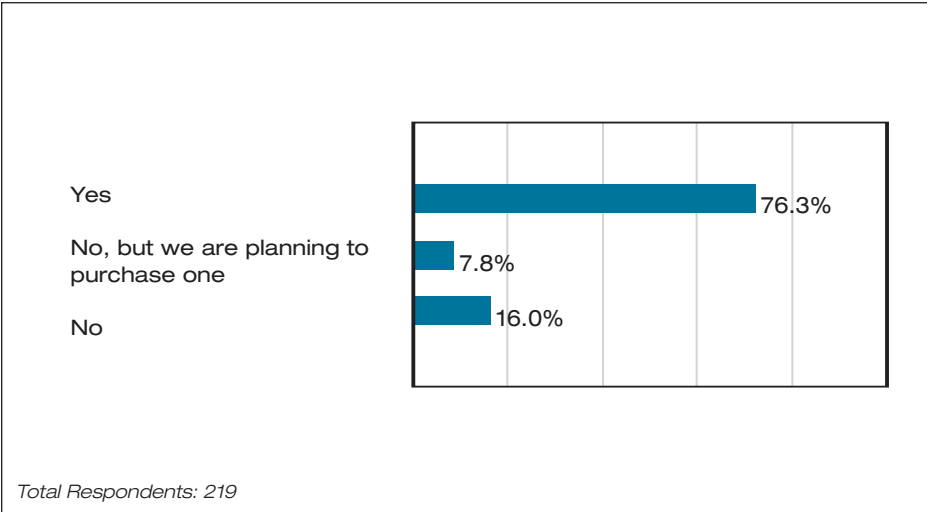
*(Those who answered “no” to having a content marketing strategy in place that uses content to generate sales leads)*



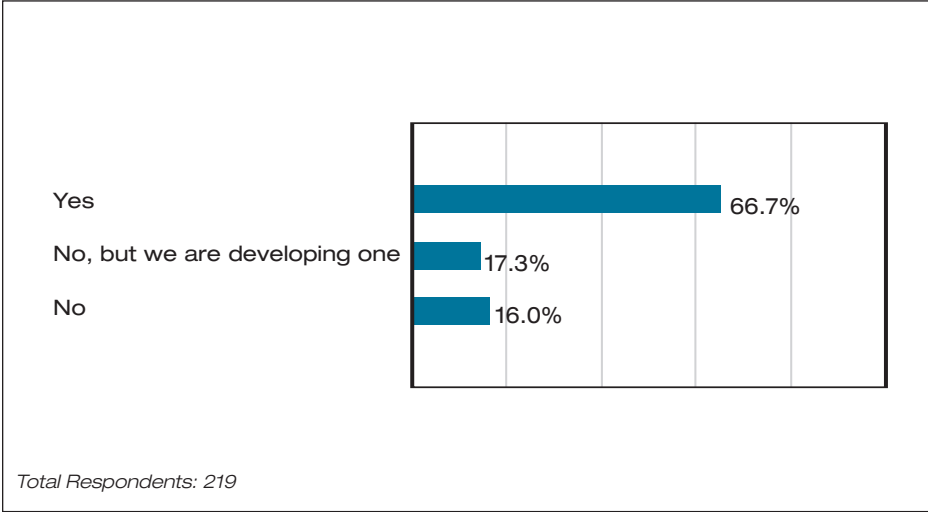
9) Does your company use registration forms to collect contact information on those who read your content?  
*(Select all that apply)*



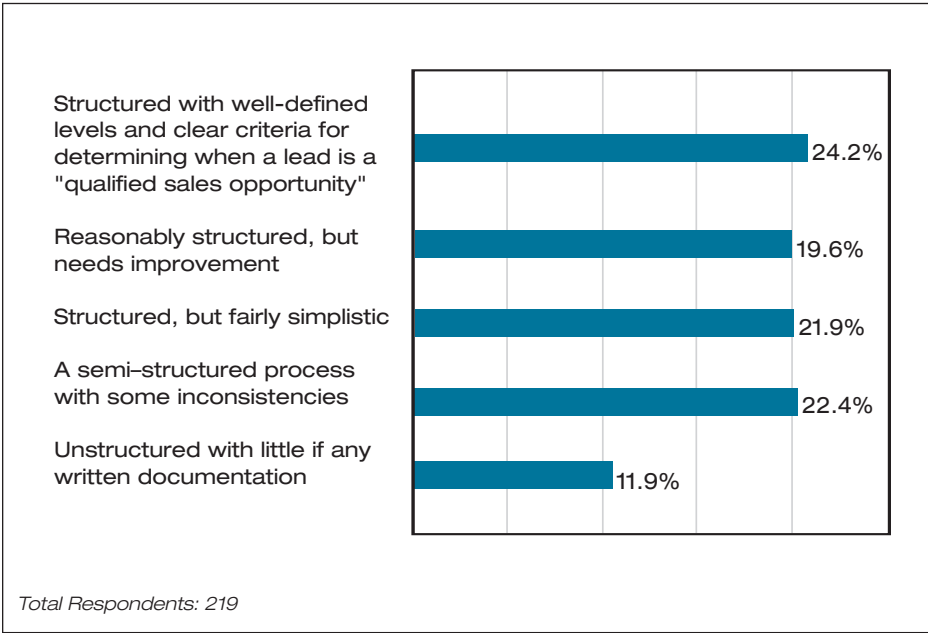
10) Does your company use a CRM or sales force automation system today?



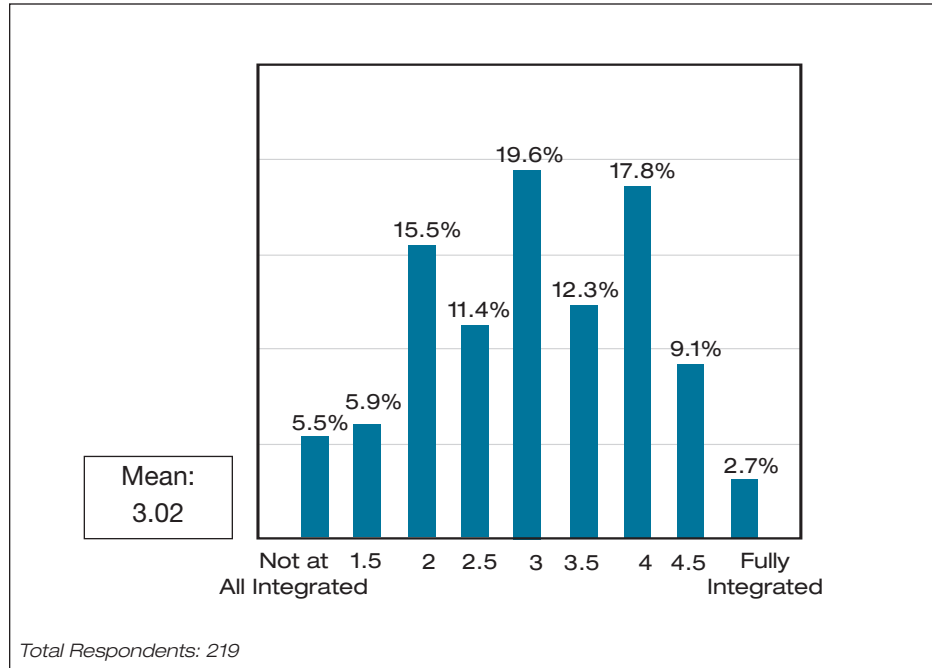
11) Does your company have a written definition of what constitutes a “qualified” sales lead for your sales organization to pursue?



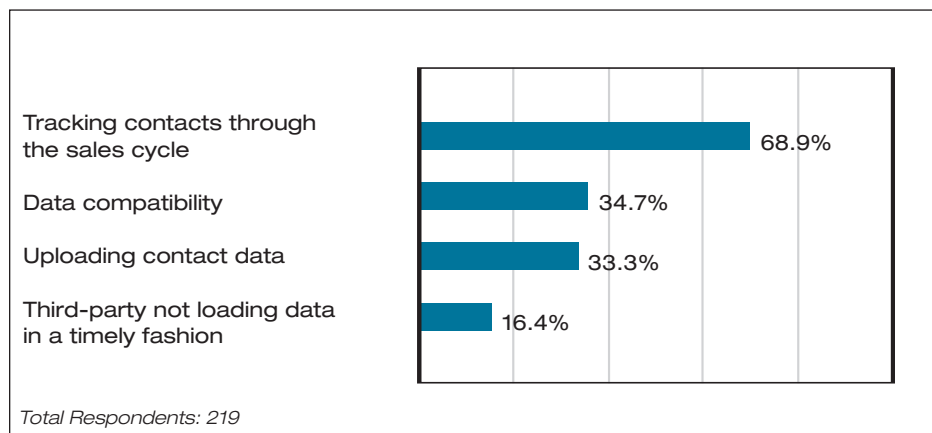
12) Which statement below best describes the process your company uses to move registrants from your lead generation programs to different levels in the qualification process and then to the status of a “qualified” sales opportunity for your sales force?



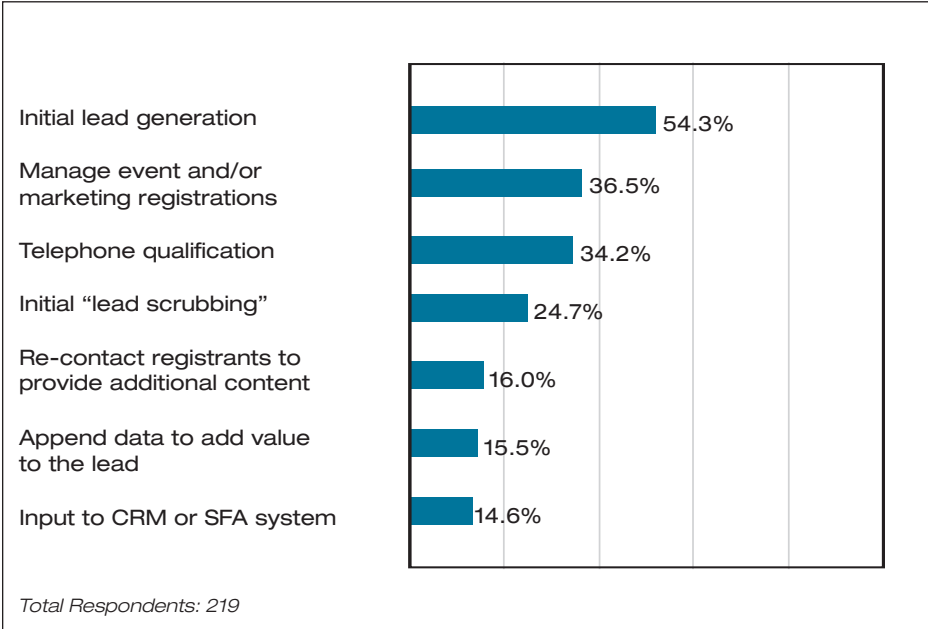
- 13) How would you rate the level of integration among your media, lead generation programs and your sales and marketing systems on a scale of 1-5 (Where 1 is Not at All Integrated and 5 is Fully Integrated)?



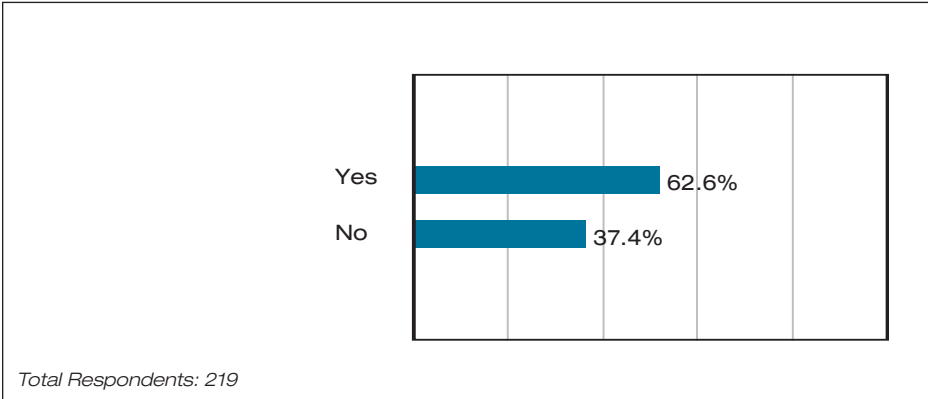
- 14) Does your organization experience difficulties with any of the following activities related to your lead generation programs in your CRM or Sales Force Automation system? (Select all that apply)



15) Do you use a third-party vendor to perform any of the following functions? *(Select all that apply)*

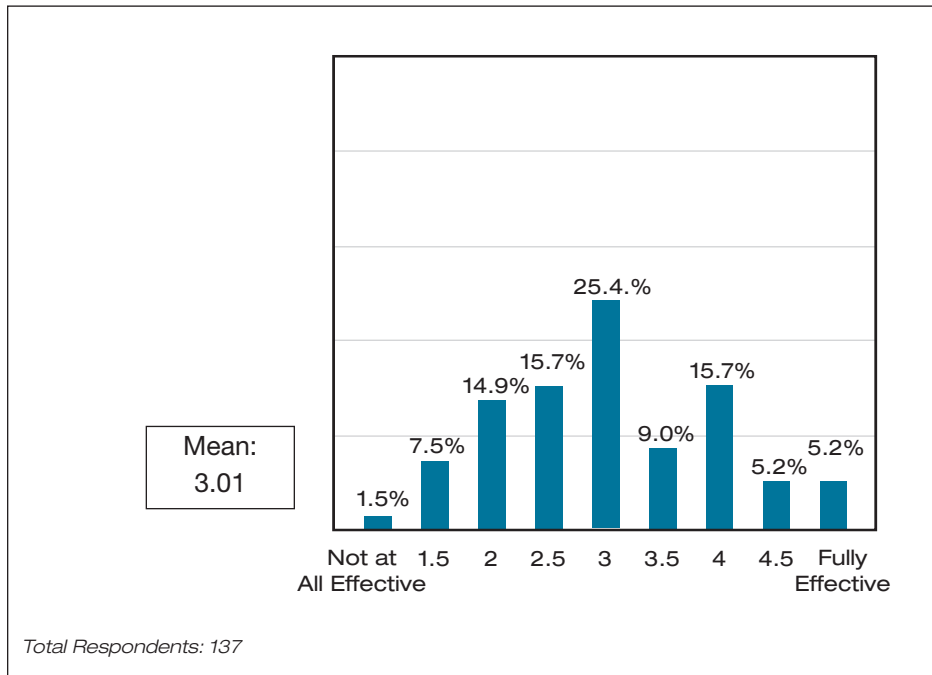


16) Does your company have a feedback loop for determining the status of your sales leads as they move through the sales pipeline?

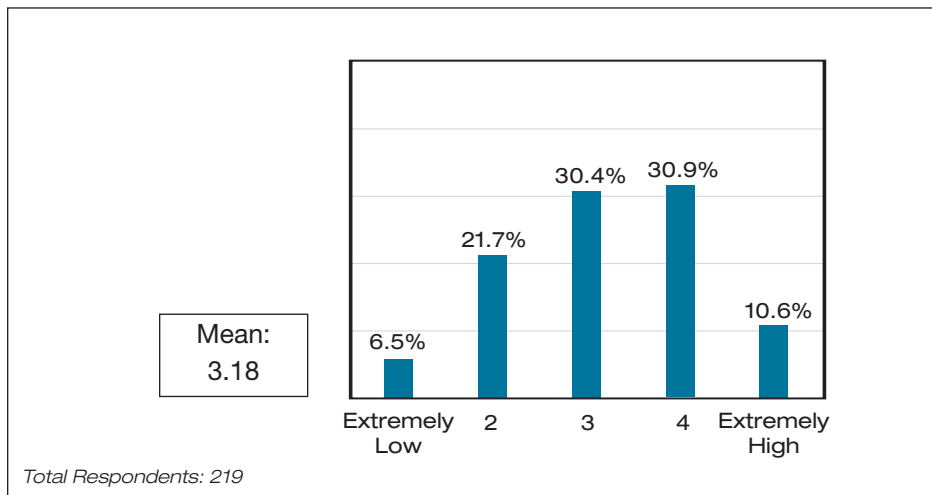


17) How effective is your company's feedback loop (Where 1 is Not at All Effective and 5 is Fully Effective)?

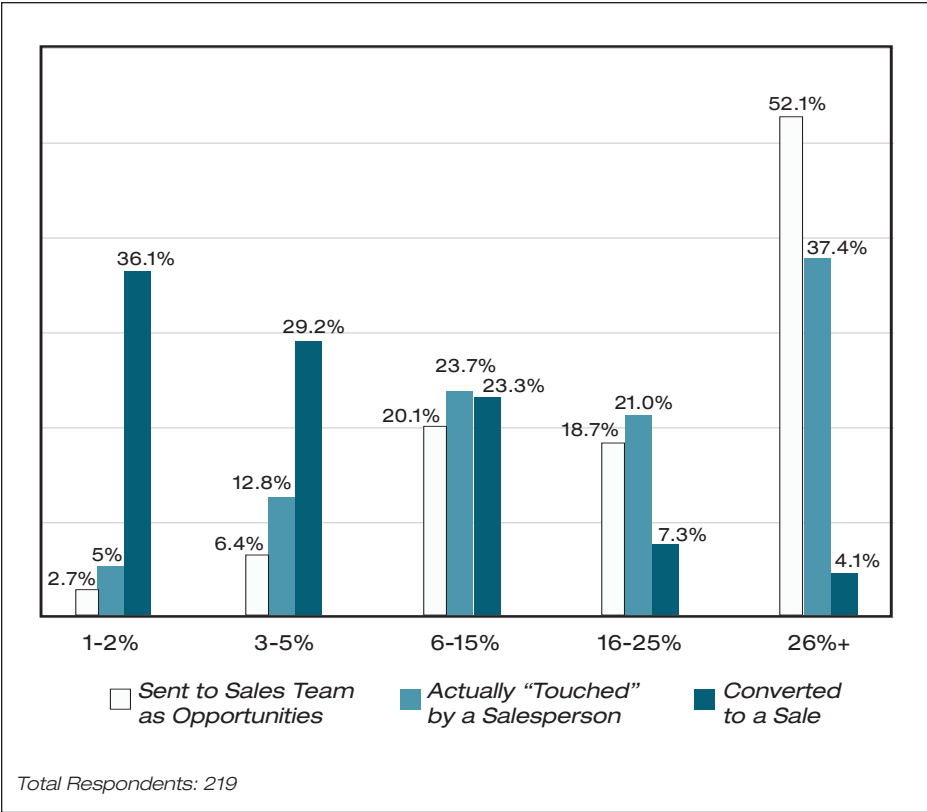
*(Those who answered "yes" to having a feedback loop to determine the status of sales leads)*



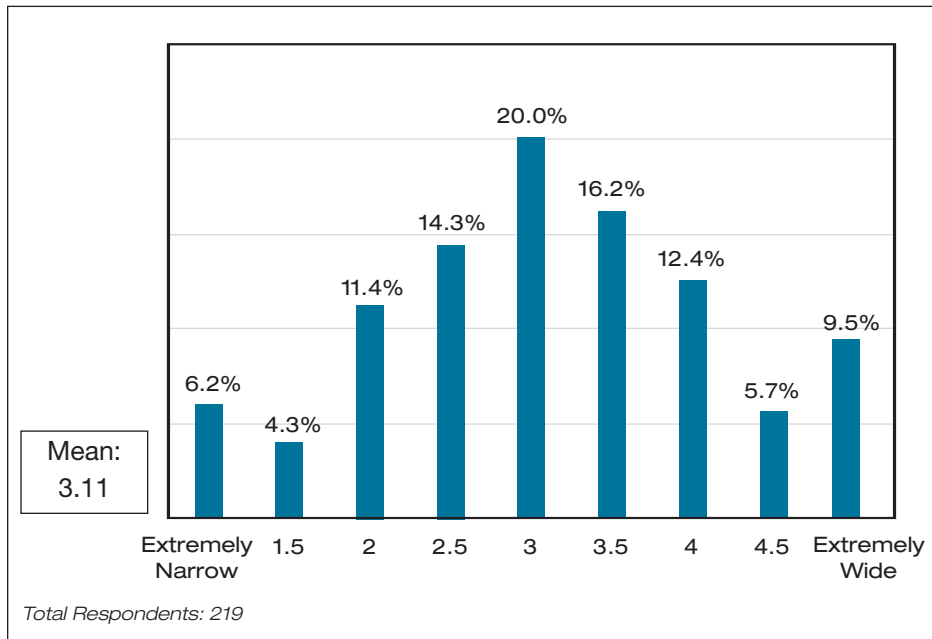
18) How would you rate the degree of alignment between your sales and marketing organizations on the management of sales leads (Where 1 is Extremely Low and 5 is Extremely High)?



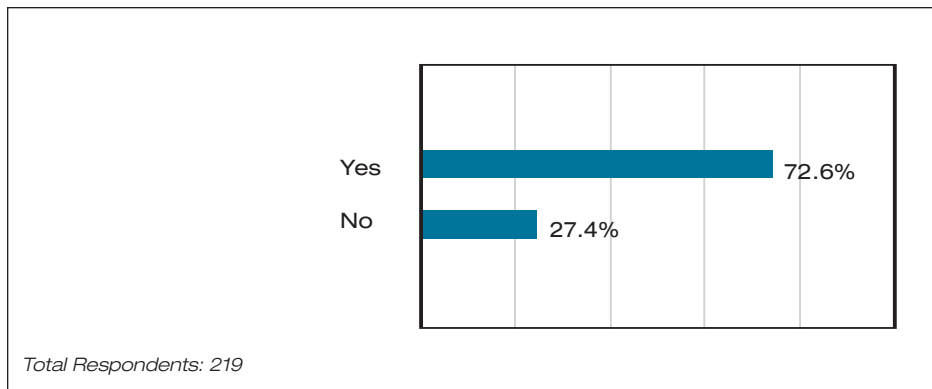
19) What percentage of ALL of your sales leads end up as follows: *Opportunities, Touched by Sales, or Converted to a Sale?*



- 20) Nearly every organization has some degree of gap between the generation of sales leads and the use of those leads by the sales organization. On the scale below please estimate how wide you think that gap is for your company (*Where 1 is Extremely Wide and 5 is Extremely Narrow*).



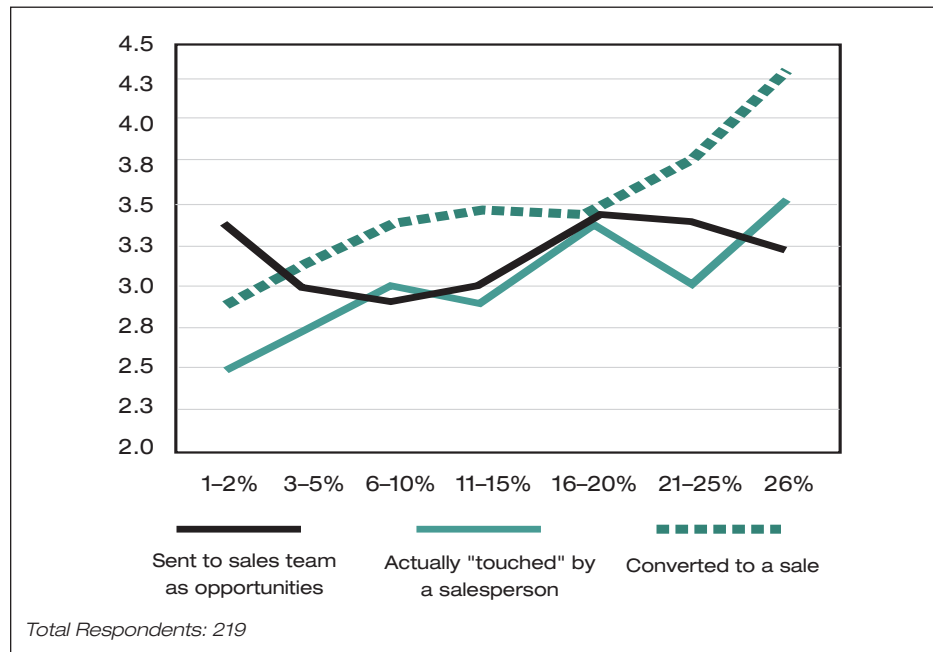
- 21) Has the gap in the generation of sales leads and the use of those leads for your company made it difficult for you to measure the ROI from your marketing efforts?



# Additional Reporting

## Cross Tabulations

Figure A: Degree of Alignment Between Sales and Marketing on Managing Leads by Sales Lead Actions/Outcomes



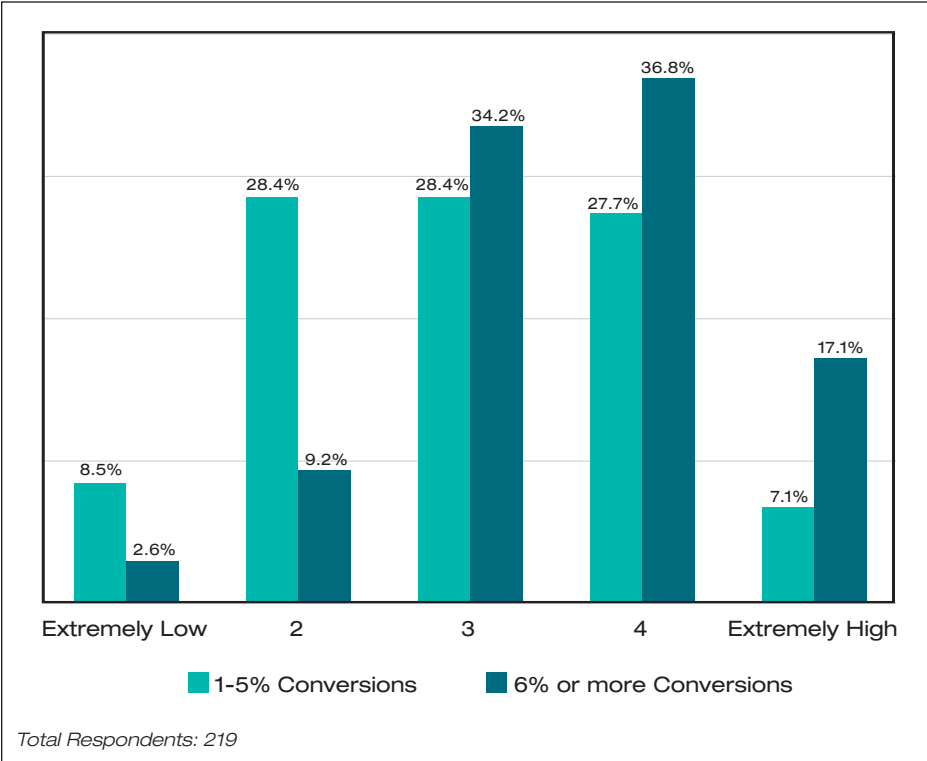
Where Figure A represents the cross-tabulated data derived from the results of questions 18 and 19 of the survey:

- 18) How would you rate the degree of alignment between your sales and marketing organizations on the management of sales leads?  
BY
- 19) What percentage of ALL of your sales leads end up as follows:  
*Opportunities, Touched by Sales, or Converted to a Sale?*

**Conclusion:** *Companies with better alignment between sales and marketing on the management of leads report a higher level of sales activity on leads and a higher conversion of leads to sales.*

### Cross Tabulations

Figure B: Degree of alignment between sales and marketing on management of sales leads by conversion to a sale



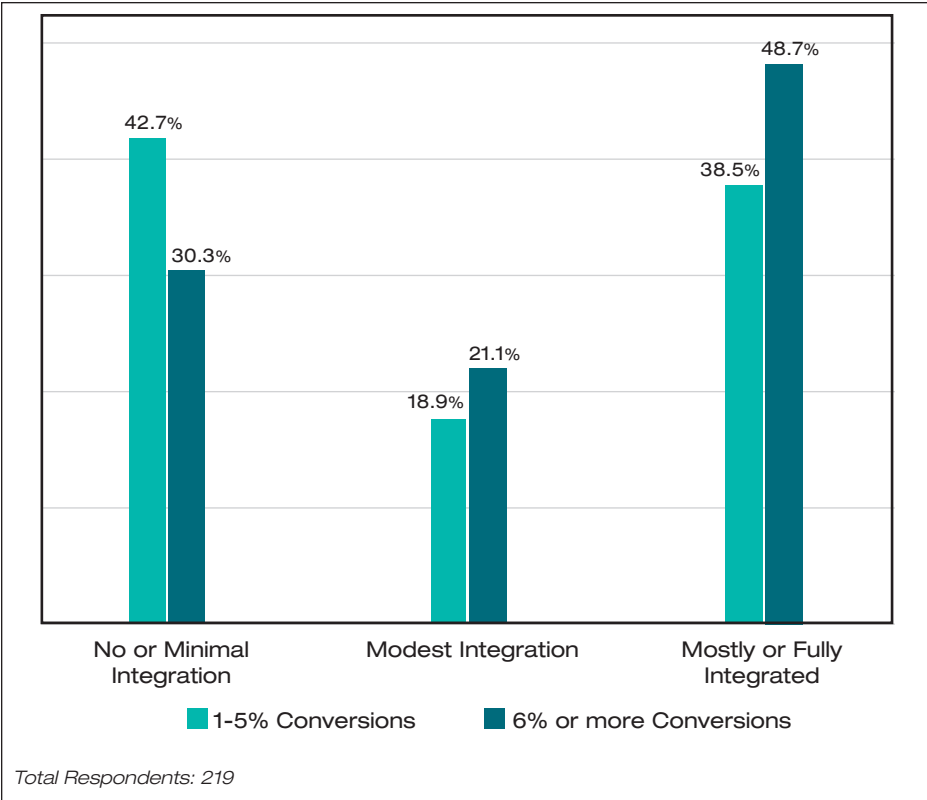
Where Figure B represents the cross-tabulated data derived from the results of questions 19 and 18 of the survey:

- 19) What percentage of ALL of your sales leads end up as follows: Converted to a sale BY
- 18) How would you rate the degree of alignment between your sales and marketing organizations on the management of sales leads (Where 1 is Extremely Low and 5 is Extremely High)?

**Conclusion:** Companies with better alignment between sales and marketing report a higher conversion of leads to sales.

### Cross Tabulations

Figure C: Level of integration among media, lead generation programs and sales and marketing systems by conversion to a sale



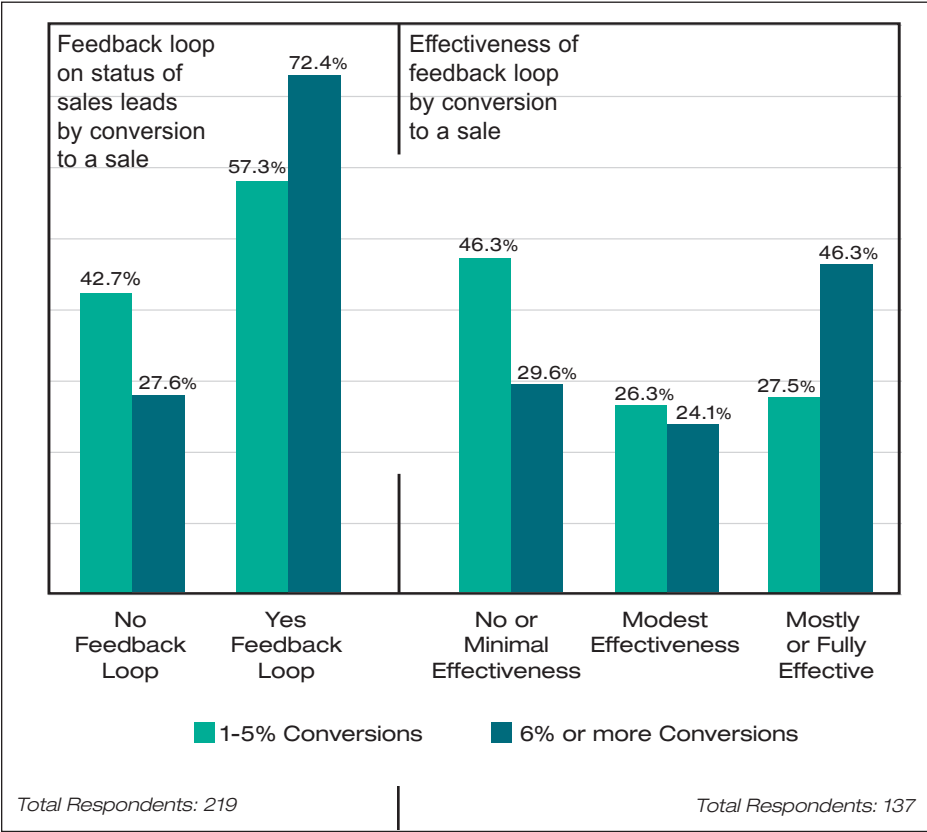
Where Figure C represents the cross-tabulated data derived from the results of questions 19 and 13 of the survey:

- 19) What percentage of ALL of your sales leads end up as follows: Converted to a sale  
BY
- 13) How would you rate the level of integration among your media, lead generation programs and your sales and marketing systems on a scale of 1-5 (Where 1 is Not at All Integrated and 5 is Fully Integrated)?

**Conclusion:** *Companies with greater integration among their media, lead generation programs and sales and marketing systems report a higher conversion of leads to sales.*

### Cross Tabulations

Figure D: Feedback Loop on Status of Sales Leads and Effectiveness of Feedback Loop by conversion to a Sale



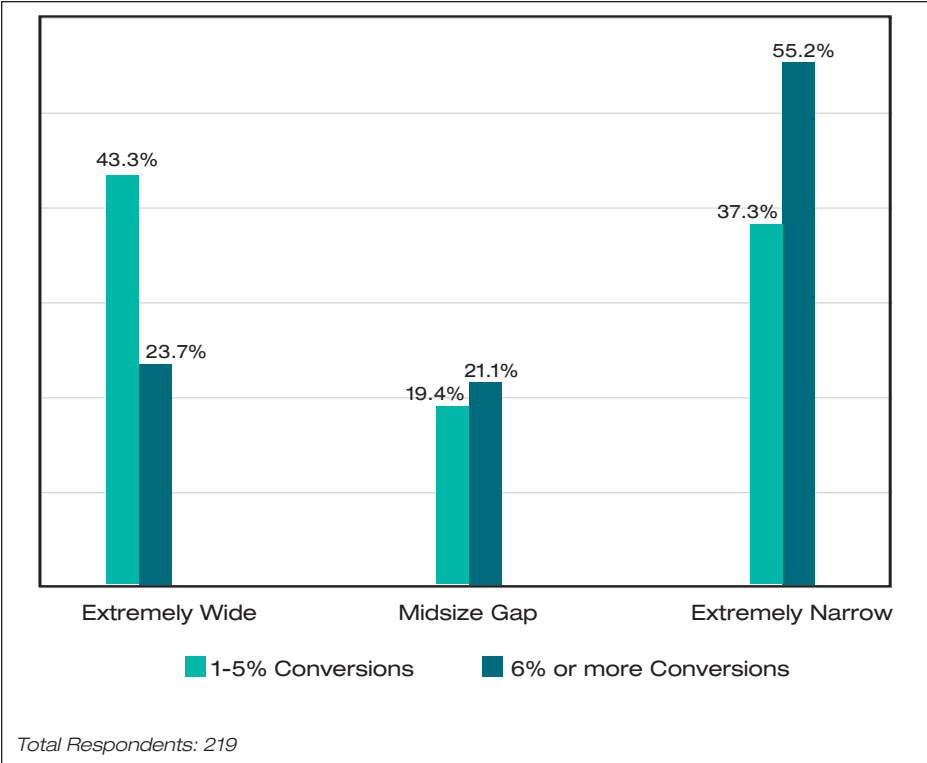
Where Figure D represents the cross-tabulated data derived from the results of questions 19, 16, and 17 of the survey:

- 19) What percentage of ALL of your sales leads end up as follows: Converted to a sale BY
- 16) Does your company have a feedback loop for determining the status of your sales leads as they move through the sales pipeline? (Y/N) AND
- 17) How effective is your company’s feedback loop?

**Conclusion:** Companies with a better feedback loop on the status of sales leads report a higher conversion of leads to sales.

### Cross Tabulations

Figure E: Degree of gap between the generation and use of sales leads by the sales organization by conversion to a sale



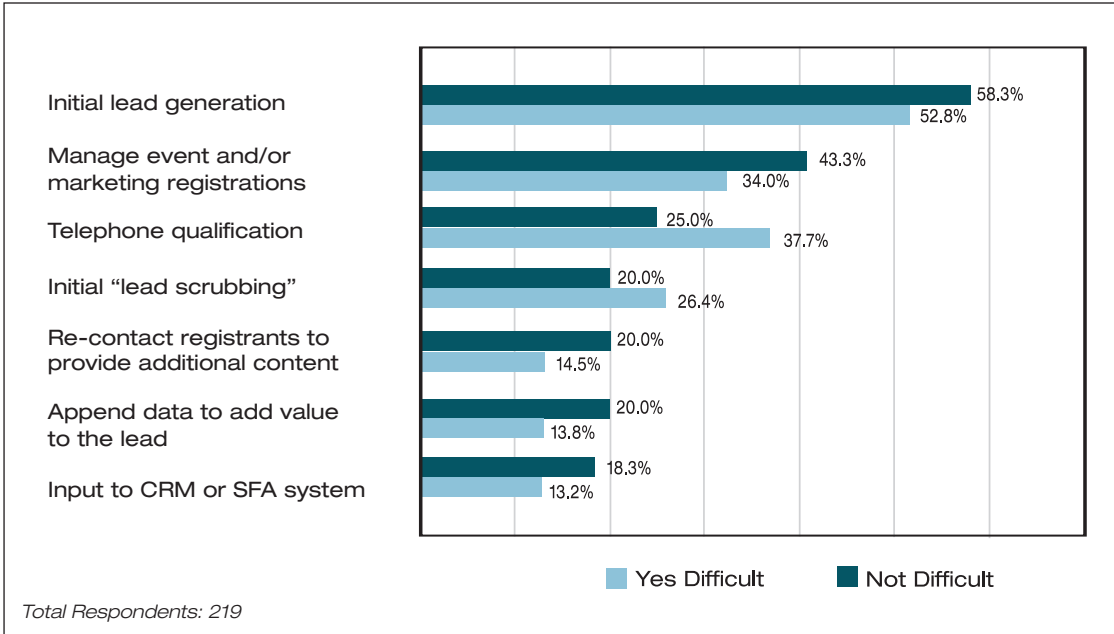
Where Figure E represents the cross-tabulated data derived from the results of questions 19 and 20 of the survey:

- 19) What percentage of ALL of your sales leads end up as follows:  
Converted to a sale  
BY
- 20) Nearly every organization has some degree of gap between the generation of sales leads and the use of those leads by the sales organization. On the scale below please estimate how wide you think that gap is for your company (Where 1 is Extremely Wide and 5 is Extremely Narrow):

**Conclusion:** Companies with a narrower gap between the generation and the use of sales leads report a higher conversion of leads to sales.

### Cross Tabulations

Figure F: Use of a Third Party to Perform Sales Lead Functions by Difficulty in Measuring ROI



Where Figure F represents the cross-tabulated data derived from the results of questions 15 and 21 of the survey:

- 15) Do you use a third-party vendor to perform any of the following functions?  
BY
- 21) Has the gap in the generation of sales leads and the use of those leads for your company made it difficult for you to measure the ROI from your marketing efforts?

**Conclusion:** Companies who find that the gap makes it difficult to measure ROI use telephone qualification and initial lead scrubbing to rectify the effect. Those who reported no difficulty are using third-party vendors to perform other functions more frequently.

## About Bitpipe

Bitpipe, Inc. ([www.bitpipe.com](http://www.bitpipe.com)) is the leading source of in-depth information technology content including white papers, product literature, webcasts, analyst reports, and case studies. Bitpipe provides sales lead generation services by distributing content from leading IT vendors via [www.bitpipe.com](http://www.bitpipe.com) and the Bitpipe Network. The Bitpipe Network reaches a qualified audience of technology buyers through Bitpipe.com, InformationWeek, Forbes.com, Network Computing, American Banker, Wall Street and Technology, Federal Computer Week, Government Technology, Google, and over 70 other leading IT and business-related websites.

In addition, Bitpipe indexes and syndicates information from over 90 top technology analyst firms including Gartner, IDC, Forrester and Current Analysis via its Analyst Direct service and Analyst Views website ([www.analystviews.com](http://www.analystviews.com)).

For more information on Bitpipe's sales lead generation and management programs, contact Sales at (617) 350-7771 x1, or email [marketing@bitpipe.com](mailto:marketing@bitpipe.com).

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