

Improve Your B2B Conversion Rate by 15-25 Percentage Points The Four Keys to Effective Business Marketing

Part 1 of 4 - Detailed Customer Journey Mapping

June 2017



Introduction – Four Keys for B2B Lead Conversion

While the primary objective of marketers may be simply defined -- cost effectively generate, nurture, and ultimately help to convert, high-quality leads -- execution towards that goal can be a complex undertaking. Unlike their counterparts in companies that sell to consumers, marketers that sell to businesses (B2B) are often faced with longer sales cycles, more circuitous customer buying journeys, and coordination with a field sales organization and/or channel partners that are intimately involved in lead generation and sales.

Unsurprisingly, B2B marketers experience many challenges in navigating this landscape. In particular, it's difficult to discern what works and what doesn't along the complex and lengthy customer journey. In an extreme form, B2B marketers may be viewed as a sales support team, providing little or no quantifiable benefit to increasing the number of qualified leads or the conversion of those leads. The good news: there are tactical steps that B2B marketers can take to measurably increase sales.

In examining a broad swath of B2B marketers, Altman Vilandrie & Company has identified four best practices that differentiate successful marketing organizations from all others:

1. Map the customer journey and reassess on a regular basis
2. Develop an advanced lead scoring process with a feedback loop from sales to marketing
3. Standardize the lead handoff process by establishing formal service level agreements and handoff points
4. Involve both sales and marketing teams to pursue upsell and cross-sell opportunities

Only ~15% of firms employ all four of these best practices – detailed customer journey mapping, sophisticated lead scoring, standardized lead handoff, and collaborative pursuit of upsell and cross-sell opportunities. These top firms have **15 to 25 percentage point** higher conversion rates of marketing qualified leads (MQLs) to sales.

Our findings are based on the 2017 Altman Vilandrie & Company Digital Media Diagnostic Survey with 190 B2B marketing decision-makers from US companies with over \$100 million in annual revenue; interviews with B2B marketers across the TMT space; and our industry experience.

This paper addresses the specific findings related to creating a detailed customer journey map. The related papers on other best practices can be found here: <http://www.altvil.com/our-ideas/avco-study-four-business-marketing-strategies/>

Detailed Customer Journey Mapping

Customer journey mapping involves documenting a prospect's lifecycle from awareness to conversion and post-sale activities such as social advocacy, including all marketing touchpoints along the way. **Although 70%** of B2B marketers map the customer journey, **less than 15%** of B2B marketers reevaluate their map(s) multiple times a year.

Optimal implementation is challenging in terms of striking the right balance between *sufficiently detailed* mapping to capture prospect pools and *manageable execution* to avoid information overload. Effective marketers have rigorous mapping and remapping processes for the most common journeys by segment, product, and channel. For many of our clients, the mapping process can be overly simplistic or impossibly complex. For example, a company with five segments, four products, and three channels might justify mapping 60 or more common journeys with 5-20 steps that use a combination of multiple products and channels in each journey. The figure below shows a simple customer journey.

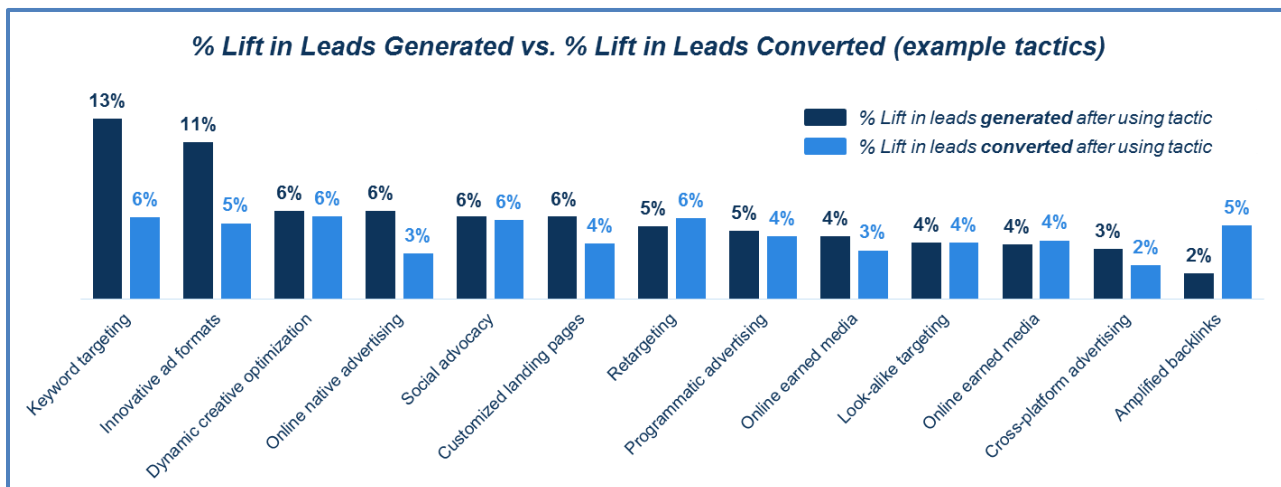


Simplified B2B Customer Journey Map



Marketing is also an important consideration in journey mapping. Prospects enter the marketing funnel at different stages and can have circuitous routes to final purchasing decisions; therefore, an effective journey map accounts for non-linear purchasing paths. The most effective marketing tactics are tailored to reach a specific objective for a given part of the customer journey. The chart below highlights how example media tactics effectiveness varies for lead generation and conversion.

Example Media Tactic Effectiveness in Lead Generation vs. Lead Conversion



Additionally, the exercise of creating a journey map ensures sales and marketing teams are aligned and coordinated on the lead nurture process – including the definition of a MQL and a Sales-Qualified Lead (SQL). This activity can also help facilitate automation and thereby increase marketing efficiency.

Companies rigorously mapping the customer journey are handsomely rewarded. Journey mapping is associated with a **3 to 5 percentage point lift in conversion rate of MQLs to sales**. There are also benefits further down the funnel. Companies mapping the customer journey have 10 to 17 percentage point higher conversion rate of SQL to sales vs. those that don't. Moreover, companies reassessing their customer journey maps most frequently (i.e., multiple times per year) are on the high end of that range.

Conclusion



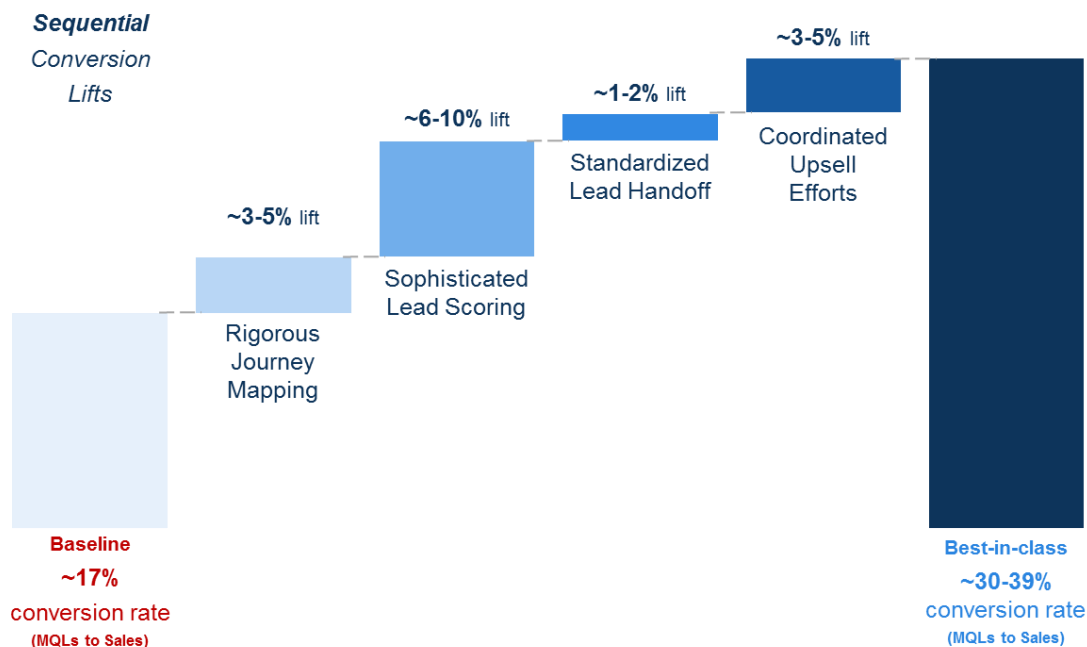
Only 15% of B2B companies are using all 4 of these best practices, meaning **85% of B2B companies may be able to increase conversions significantly by implementing the remaining best practices they haven't covered.** However, B2B marketing is not one-size-fit-all and best practices should be adapted based on company characteristics. Company size, industry, geography, in-house marketing capabilities, product complexity, product lines, industry, target accounts, sales cycle, and sales channels are just some factors to consider when implementing these research findings.

To recap, the best practices are:

1. Map the customer journey and reassess on a regular basis
2. Develop an advanced lead scoring process with a feedback loop from sales to marketing
3. Standardize the lead handoff process by establishing formal service level agreements and handoff points
4. Involve both sales and marketing teams to pursue upsell and cross-sell opportunities

Although optimal implementation of these practices may be challenging, the ROI can be sizeable. The figure below shows the incremental percentage point lifts (in terms of MQLs to sales conversion) that B2B marketers can obtain from each of the best practices. The conversion rate lifts above the bars are based on **implementing best practices one after another (sequentially)**. The percentage point lifts stated in the previous sections are based on **implementing individual best practices standalone**; these lifts are also listed below the chart:

Conversion Rate Lifts From Implementing Best Practices, Sequentially and Standalone



Standalone Conversion Lifts



About Us



Altman Vilandrie & Company is a strategy consulting group that made a calculated decision to focus exclusively on just a few industries – Telecom, Media and Technology. Why? We're passionate about these incredibly dynamic industries and love the challenge of constantly staying ahead of the ever-changing environment.

Not only does this industry-specific philosophy set us apart, but also it allows us to deliver better advice quickly. We rely on our deep industry knowledge and advanced analytics to develop tailored recommendations. We give honest, independent advice and our clients see us as trusted advisors and partners. Furthermore, all of our consultants are highly analytical, creative and strategically minded, with a passion and expertise in these industries.

AV&Co. has helped clients with a wide range of B2B and B2C marketing needs from reorganizing entire marketing departments and rigorous attribution modeling to operational / tactical implementation. In past work, our recommendations have improved *online sales*, *site visits*, *CTR*, and *conversions* from single digits to 20%.

Our clients are operating companies including service providers, equipment manufacturers, content creators/aggregators, as well as private equity investors.

Stefan Bewley, Kate Rodriguez, Madison Rezaei, Jon Cheung and Ajit Vakharia contributed to the development of this paper