
Qualified Lead – why is it important to get the timing right?

If you are going to measure how effective your marketing is it helps to know when to record the “lead”. It is not just any old lead it has to be a qualified lead.

There are two things to explain first before we give a couple of examples of when best to record a lead. These are the “sales process” and “qualified lead.”

Sales Process

It is useful to understand the sales process. You may see slight variances to this but essentially it contains the following 5 steps.

Awareness

Interest

Enquiry

Purchase

After Sales

Many businesses manage what is called a “sales funnel”. The sales funnel contains a “sales process”. The “sales process” contains five parts: awareness, interest, enquiry, purchase and after sale dissonance. The sales and marketing team aim to get leads into the funnel and then move them through this process

from awareness through to after sales satisfaction so they keep coming back. There are specific sales and marketing activities that help move people through this process and these would form part of their strategic plans. At each stage you will have time lags as well as leads that will go no further and drop off.

The success of the sales funnel is partly measured by using a sales formula. It comprises the following five key indicators of performance. We will focus on the Number of Leads in this article because this is the figure represented by qualified leads.

Sales Process

Sales Formula

Description

Awareness

Interest

Enquiry

Number of Leads

Qualified lead

Conversion rate

No. of Sales / No. of leads

Purchase and After Sale Satisfaction (e.g. returns)

Number of Sales

Sales number taken from accounting package/sales software

Avg \$ sale

Total Sales \$ / No. of Sales

Total sale \$

Sales \$ taken from accounting package/sales software

Getting the number of leads as accurate as possible impacts on the accuracy of your conversion rates and therefore how well your sales team is working and how hard it has to work in the future to hit your sales targets, all else being equal. If the timing of the lead is too far removed from the marketing activity the value of the information is limited because you can't see if that sales and marketing activity is impacting on your sales revenue.

Qualified Leads

A qualified lead is triggered by an action taken by your potential or existing customer and generally sits within the Enquiry stage of the sales process. How you define these actions will be different for each business or industry. We explain below how two different industries might define their qualified leads. There is no rule of thumb for how far apart the marketing activity and the qualified lead is but it is useful to have it within a 12-month period.

When is the best time to record a lead?

This will depend on the business or the industry. We have chosen a couple of industries to illustrate.

Education

Engineering