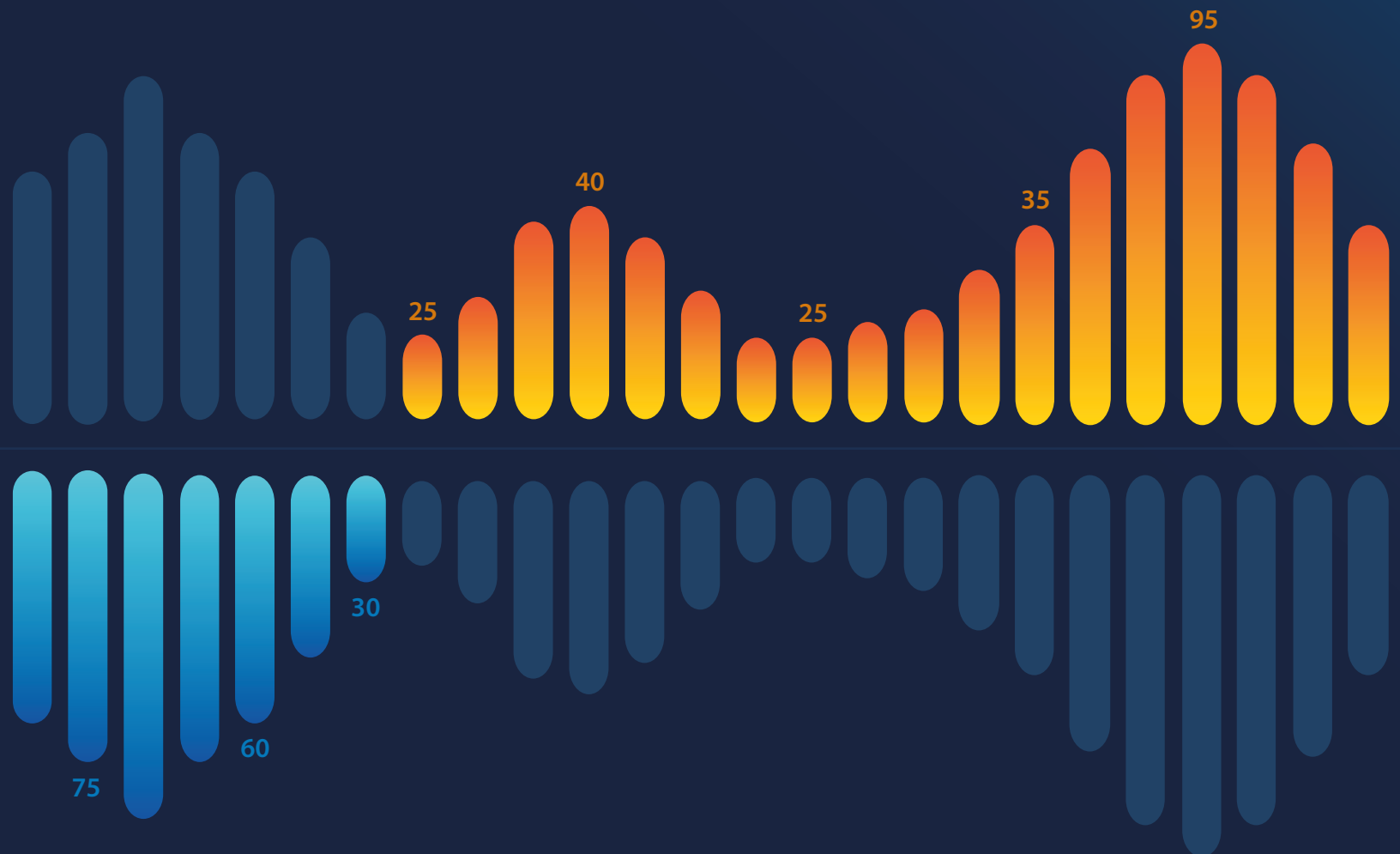# PREDICTIVE LEAD SCORING

and Attribution Modeling

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Introduction

Identifying qualified leads is a constant obstacle for B2B marketers. According to Chief Marketer, 48% of marketers say that the biggest challenge when generating new leads is finding those that are ready to purchase. When working with hundreds of leads at a time, knowing which ones are more valuable to your business will allow your teams to work more efficiently.

Traditional lead scoring is effective when marketers can accurately score incoming leads. However, this can often be a labor-intensive and inefficient process.

What is predictive lead scoring?

Predictive lead scoring applies big data and machine learning algorithms to the traditional lead scoring model to analyze the behaviors of your customers. The algorithms process lead data found in a master database or taken from a CRM platform. There are several buckets of data that the algorithms take into consideration. These datasets can be anything from a lead's buyer persona to how much they have interacted with your company's website to what content they have read. As that data is processed, the most qualified leads receive a score, helping you find your ideal customers with ease as the guesswork involved in traditional lead scoring is removed.

Predictive lead scoring can eliminate many of the manual processes involved in traditional lead scoring, saving your team a significant amount of time. **Here are some additional advantages to predictive lead scoring:**

➤ Predictive lead scoring provides more accurate results as it generates a single trackable metric that can be applied to all leads.

➤ It allows marketing teams to run more focused campaigns.

➤ It improves the efficiency of sales teams by increasing the amount of time they spend working with high-quality prospects.

➤ Predictive lead scoring analyzes all available data, allowing your team to identify new patterns and connections between data sets.
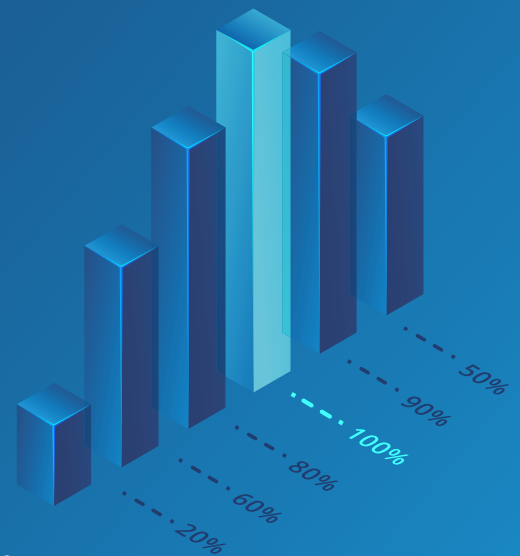
Aside from being convenient, predictive lead scoring speeds up the sales process and allows marketers to focus oncreating more personalized campaigns for their lead.

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Developing a Predictive Lead Scoring Model

Developing a predictive lead scoring system begins with identifying relevant data and deciding how to score your customers' attributes and behavior. You must determine your target metric so that the model knows what to optimize for. This could be conversion rate, lifetime value, or some other metric important to your business. The model will evaluate all the attributes you provide and will score each customer based on the likelihood they will improve the target metric.

The following are important attributes to include in your predictive lead scoring model:

➤ **Customer profile data:** The core demographic information about your customers including age, location, job title, industry, and more.

➤ **Customer intent data:** The interest that customers have shown towards particular products and services along with their openness to engaging with sales and marketing teams.

➤ **Customer engagement data:** Key actions taken including website visits, email opens, form submissions, lead magnet downloads, free trials, product page views, etc.

➤ **Account profile data:** Important firmographic data such as industry, company size, account type, points of contact, etc.

➤ **Customer purchase data:** The buying activities of previous customers including the amount spent and how often they purchase.

The Many Forms of Touchpoint Attribution

To successfully implement a lead scoring system, businesses need an accurate way to assign value to different customer attributes and behavior. Your attribution model will thus play a vital role in determining how your leads are scored. If your model favors attributing sales to the top of the funnel, then your predictive lead scoring system will score leads that engage with these channels higher. Conversely, if your attribution model tends to credit sales to the end of the funnel touchpoints, leads who have only engaged through top-of-funnel channels will not be scored at a very high value.

Several different attribution models can be used to credit sales to the touchpoints involved.

First touch

The first touch model attributes full sales credit to the first marketing touchpoint that drove the customer to your brand.

This model is easy to implement and manage but has its drawbacks. Because it attributes 100% of the credit to a single touchpoint, it tends to overstate the value of certain channels, particularly top-of-funnel channels that are many buyers' first point of contact.

This model is also more prone to errors than other single attribution models. With longer buying cycles, the time to conversion for B2B companies can extend beyond expiration time in conversion tracking systems. Meaning that the true first touchpoint can often go uncredited.
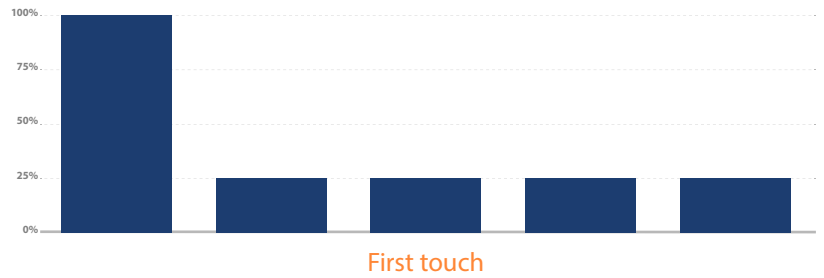
First touch

Last touch

This model is the simplest to measure as it gives all credit to the very last touchpoint before conversion. Like first touch models, last touch models can overemphasize the value of certain areas of your marketing funnel. Instead of the top of the funnel channels, touchpoints towards the bottom of the funnel such as a call with a salesperson will receive more credit.

Last Touch

The model is less prone to inaccuracies as the expiration period for most tracking cookies is irrelevant when the last touchpoint receives 100% of the credit.
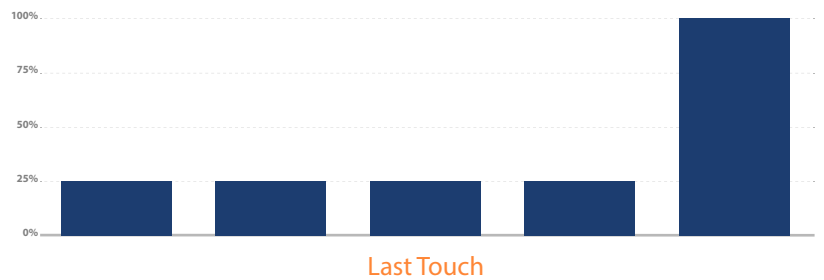
Multi-touch or "blended" approaches

Instead of focusing on the beginning or the end of the marketing cycle, credit can be allocated to multiple touchpoints. These are often called multi-touch or "blended" attribution models.

Multi-touch attribution can provide a more accurate insight into the impact of each marketing channel. Buyer's journeys are more complex than in the past. Today's customers reach businesses through multiple touchpoints and engage with companies through several different mediums before completing a sale. Each touchpoint plays a role in turning visitors into customers.

For example, imagine a prospect who lands on your website via organic search. They read a blog post and decide to follow your social media accounts. Later they see a sponsored ad directing to a new article on your website. They click through and read the article. While there, they see an offer for a whitepaper that is relevant to their business. They decide to download the whitepaper in exchange for their contact information. After receiving the person's contact information, your marketing team qualifies the lead before handing them over to your sales team. In approximately 90 days, your sales representative closes the deal.

In this situation which touchpoint should receive credit for the sale? Is it accurate to attribute all the value of the sale to the initial blog post that appeared in the search engine rankings? Or the final phone call with your sales team?

Using either of these approaches ignores the role of each part of the sales cycle in helping to turn the prospect into a customer. With multi-touch attribution, businesses have a more nuanced way of determining the value of their marketing channels.

Understandably, deciding how much weight to attribute to each touchpoint is more complex than simply assigning credit to the first or last channel. There are several different methods marketers can use to value different touchpoints in the sales cycle.

Linear

The linear model is the simplest multi-touch attribution model. It gives equal credit to each touchpoint in the buyer journey.

This model does a better job than first and last touch models in including the various channels a buyer interacted with, but it does not distinguish the more impactful role some touchpoints may have had.
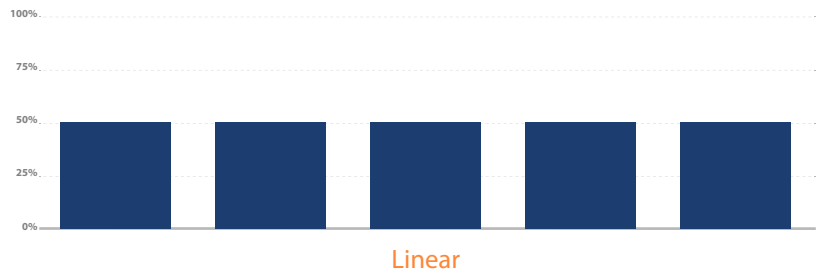

Linear

Time decay

The time decay attribution model is a variation of the linear model. A similarity the two models share is that credit is given to all the touchpoints in some capacity. However, the last touchpoint will receive more credit than the first one in the time decay model.

Time decay
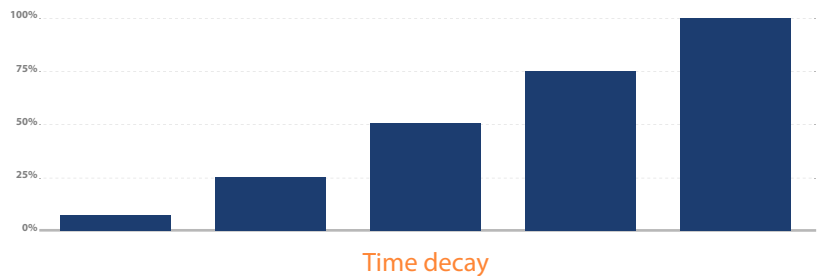
The majority if not all of B2B sales cycles are prolonged, making this attribution model ideal for leads that may take a long time to convert. However, a drawback is that critical transition points in the middle of the cycle are not given full credit.
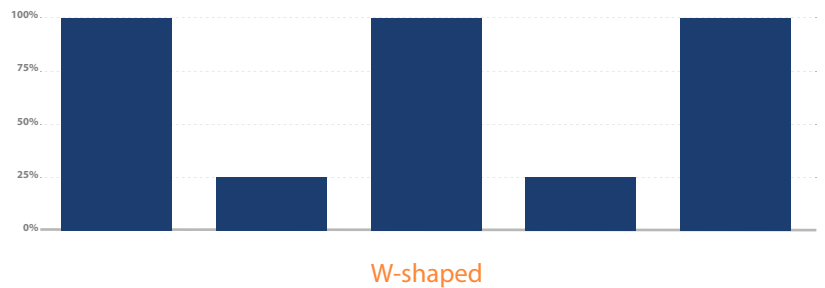
U-shaped

The U-shaped multi-touch attribution model is similar to the first touch model as it weighs the first touchpoint and lead creation stage more heavily. It is an ideal model if lead reporting is a priority for your marketing team.
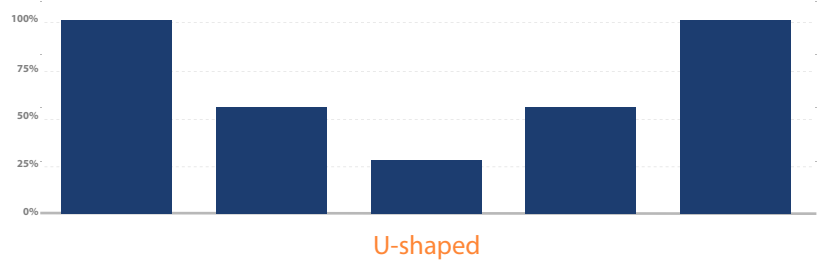

U-shaped

W-shaped

The W-shaped attribution model is a more robust version of the U-shaped attribution as it encompasses giving credit to the first touch, lead creation, and opportunity creation touchpoints at 30% each. The remaining 10% is then distributed to any other touchpoints.

W-shaped

Full-cycle

A Full-cycle attribution model will use aspects of the W-shaped model but will measure an entire cycle, including the customer-close touchpoint. The model gives revenue credit to every touchpoint and provides insight into post-cycle marketing opportunities as well. Marketers can also customize this model based on their specific channels, making full-cycle the most versatile attribution model out of all the multi-touch approaches.

Full-cycle
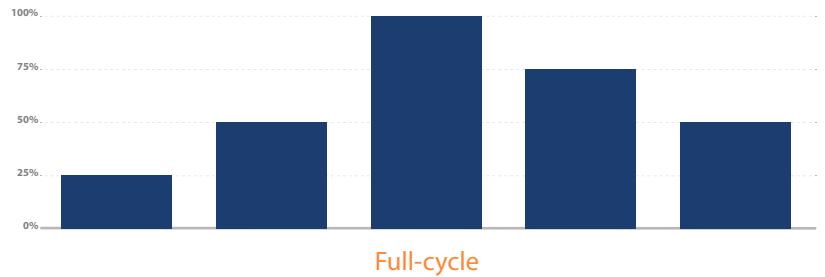
Solution

Multi-touch attribution may not be easy to implement, but it can prove to be more effective than both first and last touch models. By using any of the multi-touch methods, marketers will be able to see a customer's full journey. Multi-touch attribution provides marketers a much clearer picture of their campaigns and a better insight into the touchpoints that lead to conversions.

When combined with predictive lead scoring, multi-touch attribution is a powerful tool to optimize marketing campaigns for improved reach and acquisition. Multi-touch attribution offers a more accurate methodology for evaluating the role of different channels and touchpoints in the sales process. This leads to higher quality data that can be used in your predictive lead scoring models.

Marketers can take the following steps to ensure their multi-touch attribution model is set up for success:

> **Evaluate your organizational goals** when determining the appropriate attribution model. You want to consider factors such as the length of your sales cycle and the type of marketing campaigns.

> **Measure your attribution effectively.** Given their complexity, multi-touch attribution models require an advanced analytics system to work correctly. The system assists in aggregating and presenting data in a way that provides insights into customers' behavior.

> **Optimize your campaigns.** Don't forget to consistently evaluate data from your multi-touch attribution model to help optimize your campaigns. Regular tests will allow you to communicate with your customers in the most efficient way possible.

Conclusion

The use of predictive lead scoring combined with multi-touch attribution can yield considerable benefits for your business. No longer will crucial time be spent on identifying leads. Instead, you have an accurate system for evaluating the prospective value of each lead, freeing up your teams to pursue the most qualified leads that will have the biggest impact on your business.

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