



The story of a lead:

3 people, 3 different sales strategies

ruby.[®]

People who give business advice **love** talking about leads.

You've got to generate more leads, they say. What's your lead conversion rate? Have you optimized your lead qualification process? You need good leads. Convert your leads. Close those leads. Leads, leads, leads!

Truth be told, a lot of this advice misses the point. Leads are indeed crucial for business success (especially small business success), but the concept is often abstract and poorly understood. Thinking in terms of "leads, leads, leads" removes the human element and turns sales and marketing into numbers games rather than actual drivers of value.

So let's rethink this topic, shall we? We're going to explore leads the Ruby way—by bringing human connection front and center.

WHAT IS A LEAD?

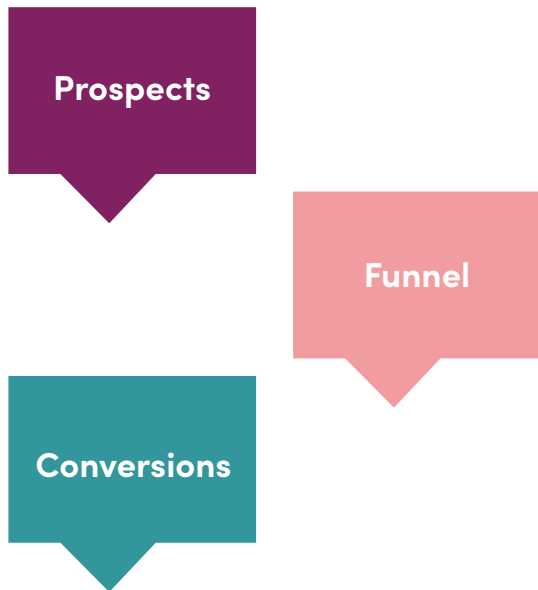
A lead is a person or organization who might one day purchase a product or service from your business.

They're interested in what you have to offer, but haven't yet become a paying customer or client.

Maybe it's someone who's been referred to your business by a friend, relative, or colleague. Maybe they're subscribed to your mailing list, or maybe they follow you on social media.

That person asking, "How much is that doggie in the window?" **Classic** lead.

Whoever they are, wherever they come from, and whatever they're potentially interested in buying, all leads need to be convinced before they purchase something from you. The act of persuading them is what's known as **conversion**—you're converting someone into a customer or client.



Learn the lingo.

Some businesses separate leads from **prospects**, with prospects being the middle step between a lead and a customer—someone who’s shown definite interest rather than someone who could be interested in purchasing. For example, that person asking about the doggie in the window could be considered a prospect, whereas a passerby who just paused and looked in the window (or browsed the pet store’s website) would be a lead.

In some cases, businesses **qualify** their leads. A qualified lead is basically the same as a prospect. It’s someone you know is interested in what you have to offer, because you’ve had a conversation or interaction with them that indicates as much.

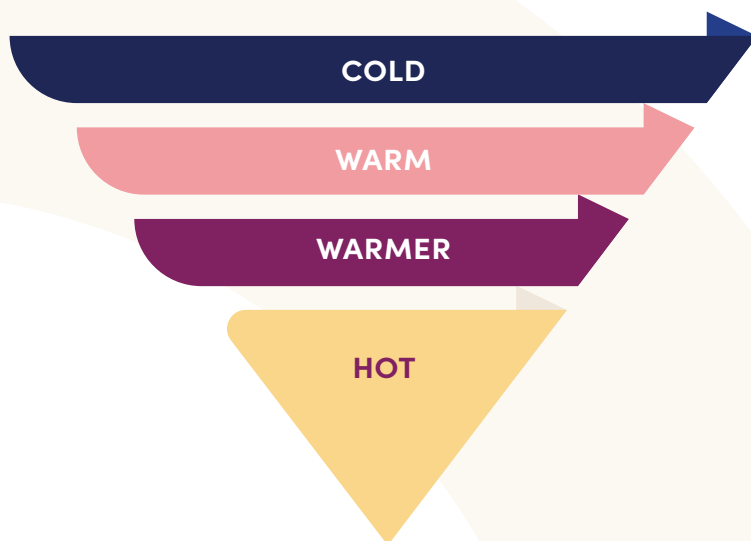
Other businesses simplify all of this and categorize leads in terms of **temperature**.

- **Hot leads** are ready or almost ready to buy.
- **Warm leads** are interested but need to be convinced.
- **Cold leads** are people who might have a need for your product or service, but haven’t yet shown any interest.

If you were to contact someone you’d never met and ask them if they’d like to buy a doggie, you’d be talking to a cold lead.



Another easy way to think about this is as a **funnel**. At the top of the funnel are people who have a need that your business fulfills, but who don't know much (or anything) about your business or the products or services you offer. Some people move into the next stage of the funnel when you get their attention and collect their basic contact information. Next, some of those people start interacting with your business. Interest turns into consideration. Conversations happen. At this point, a few people hit the bottom of the funnel, where it's a matter of convincing them your business, product, or service is the right choice for them, ultimately leading to conversions.



At every stage in the funnel, the number of people you're dealing with shrinks, but the chance that they'll convert into buyers increases. For instance, a marketing campaign that reaches 10,000 people may generate 1,000 leads, 100 of which ultimately become customers.

The nature and timing of lead conversion vary significantly from business to business. In many service-oriented industries, such as the legal and healthcare industries, people can turn up out of nowhere and convert into clients within hours or minutes. In other cases, a business may need to take weeks or months to generate, nurture, and convert leads.

INTRODUCING THE LEADS IN OUR LEAD STORY

Now that you know what leads are, the real question is who they are.

Let me introduce you to three leads:



Name: Amy
About: 55 years old,
lives in Texas,
loves her dog
Type of Lead: hot

Amy seems ready to buy. She has a defined need and a well-established interest in your business. In fact, she knows someone at the company and has already spoken to a sales representative. We have a lot of information about her—her contact details, her preferences, what she’s looking to buy, her dog’s name (Bruce), and so on. All that’s left to do is close the deal.



Name: Bryan
About: 36 years old,
enjoys learning new
languages
Type of Lead: warm

Bryan has shown some interest, but needs more information before he starts evaluating a decision. He’s filled out a couple of forms on the website and sent an email inquiring about an offering. We have some basic contact info and a general sense of what he’s interested in. We need to engage him and get him thinking about making a purchase.



Name: Casey
About: active on Twitter
Type of Lead: cold

Casey is something of a mystery at this point. We know they’ve clicked around the website, read a few pages, and started following us on Twitter. But we don’t really know anything about them, what they’re interested in, or even if they’re interested in buying anything from us at all. At this point, our goal is to find out more about Casey and try a few different approaches to earn their attention and interest.

MEET YOUR FIRST LEAD, AMY

Amy's a 55-year-old political consultant with a Texas accent and a big, boisterous laugh. She loves hiking, kickboxing, and her dog Bruce. She's outgoing and sharp-witted, with a firm yet friendly demeanor that indicates she'll happily engage in conversation, but you better not waste her time.

Right now, however, the most important thing to know about Amy is that she seems poised to buy something from your business.

Amy is a lead—and a hot lead at that. Your sales team has already had several exchanges with her. We know what she's interested in and we have a good sense of her budget.

All that's left to do is close the deal. Should be easy, right?

Not so fast.

This is one of the most common customer acquisition challenges business owners run into—closing a sale that looks like it should be a sure thing.

Be careful not to mistake a lead's enthusiasm or friendly personality for readiness to make a purchase. And don't assume their decision-making process aligns perfectly with your sales process. Just because Amy is at the bottom of our funnel doesn't mean that she's ultimately made the decision to move forward.

In fact, depending on Amy's mindset at this point and experiences with the company thus far, she may be more challenging to convert than someone coming in with fewer expectations. Let's break down why.

Does Amy understand her ROI?

Hot leads like Amy typically know what they need and who's offering it. If you run an HVAC company, for example, someone like Amy may contact you because she needs a new furnace and is aware that your business can fulfill that need.

The reason Amy hasn't become a customer is that she doesn't fully understand her return on investment. She knows what she needs and knows you're selling it.



But she doesn't know why your product or service is her best, most reliable, and most cost-effective option.

This is what trips up so many business owners. Because Amy has expressed interest in the product or service offered, she feels like an easy sale. She seems excited over the phone. She's asking a lot of questions. But then she says, "let me think about it," and you're chasing her for the next six months.

How do we turn Amy into a customer?

To convert Amy, we need to demonstrate value.

Countless business owners take this part for granted. They assume the value of their products or services is obvious, or they struggle to articulate it in terms that resonate with leads. After all, their skill is providing those products or services—not necessarily selling them.

Which is why, for someone like Amy, it's often important to back up and demonstrate why you are the most valuable option. Amy might not be ready to buy just yet, but she's ready to be convinced.



In general, there are three questions every lead needs an answer to before they make a purchase:

1. *“Do I need this?”*
2. *“If so, what’s the best way to get it? Can I do it myself?”*
3. *“If I can’t do it myself, who’s the best vendor?”*

Convincing Amy comes down to answering question 3. But we might have to return to questions 1 and 2 to make the company’s value as obvious as possible. Maybe it’s worth reminding Amy that she needs a furnace and that expert installation is her easiest, fastest, cheapest option. We have to ensure she sees everything she has to gain—and then make the case for our business.

Remember: sales is both a science and an art.

The science is checking those three boxes. The art is getting Amy to be open to the conversation, and getting her to open up about what she needs. This is where conversational skills and personalities come into play. We know Amy appreciates when people are candid and honest, so we can be pretty direct with her. If she were shier or more evasive, we’d need to take a different approach.

All of this is to say that every lead, no matter how warm or how far along they are in the process, has their own needs, realities, and expectations—which may or may not be obvious. Converting that lead into a customer means first identifying when they’re ready for the sale, and then—when they are ready—keeping an open mind, listening carefully, and centering value throughout the conversation.

Let’s see how these lessons apply to another kind of lead...



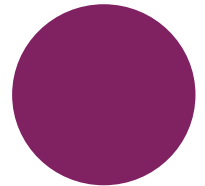
MEET BRYAN

Bryan is a 36-year-old single dad who recently relocated from Hong Kong to the United States. Bryan would describe himself as a nerd and a homebody. He loves cooking, painting, musical theater, and learning new languages. Although Bryan doesn't open up to new people immediately, he has several close friends who love him for his kind heart and his sometimes-dark sense of humor.

Right now, we don't actually know any of that.

What we do know is that Bryan is a lead. He's shown interest in your business and your products or services. We know this because he's filled a contact form on your website, and yesterday, he sent an email asking about an offering.

Many businesses would consider Bryan a warm lead. Compare and contrast him with our last persona, Amy, a hot lead. Amy and Bryan are both interested in a potential sale, but while Amy has had exchanges with business representatives, Bryan has only just initiated the conversation.



Welcome to a world of possibilities.

Bryan is at an exciting and uncertain stage in the customer acquisition process. There are so many possibilities ahead.

Maybe he'll turn into a new customer—perhaps a loyal, high-paying customer who spreads positive word of mouth about your business.

Then again, Bryan might find out he's not interested in what you have to offer.

Or worse, what if he has a negative interaction with you or your team and decides to leave a critical review online? **It's a lot like a first date.**

Things could go wonderfully, or terribly, or just sort of "meh." But no matter what, you have an opportunity to stand out, create an unforgettable experience, and hopefully forge a real connection with someone.

What does Bryan need?

As with dating, the secret to nurturing a lead like Bryan is to center the other person's needs. Throughout the customer acquisition process, but particularly at this point, the conversation should be focused on providing a service. **Ask not what Bryan can do your business, but what you can do for Bryan.**

What information is he looking for? How much research has he done?

What drew him to your business? What will he do if he doesn't use your product or service?

What are his hopes, concerns, and frustrations at this point?

Consider how you can address these subjects within a sales call, as well as through secondary channels. For example, if you have marketing content such as blog posts, downloads, and videos that Bryan might find relevant, maybe those materials are worth sending his way. Or, if he's already reviewed your content, you could ask him targeted follow-up questions.

The goal is to **engage him and get him interested**. Don't be afraid to talk about your business—that's what he's here to find out about—but try to frame the conversation around his needs.



It's all about value.

Believe it or not, leads like Bryan can be easier to convert than the Amys of the world. That's because they have fewer assumptions. They're open and receptive to information about the business.

This is where the salesperson should become more of a consultant.

Consider questions like these:

- *What criteria will Bryan use to decide if the product/service is a fit?*
- *How will Bryan measure whether or not he's getting an ROI out of working with you?*
- *Other than price, what else will he consider before making a decision?*



Use this moment to embed value. In other words, you can overcome objections and roadblocks in advance by priming leads during the consideration phase.

Again, it's both a science and an art. The science is giving Bryan all the information he needs, and educating him on what else he might need to consider, in order to start getting ready to make his decision. The art is knowing when and how to dole out the information—anticipating Bryan's needs, tailoring your approach to his personality and preferences, and getting the prospect to open their mind to what they don't already know, which will keep the business fresh in his mind for days, weeks, or months.

Give him a reason to love you, and make the decision to choose you as easy and obvious as possible, and—when the time is right—converting him into a customer will be a cinch.

Now, for our final lead, let's look at someone we don't know much about...



MEET CASEY

Casey is... Well, Casey is a person, and they live in... a place.

The truth is we hardly know anything about Casey other than their name, pronouns (they/them), and their Twitter handle: Casey47474. The only reason we're thinking about Casey is because they followed your business on Twitter the other day. And based on website traffic, we can guess that they also visited a few pages on your site around the same time.

Could Casey become your next customer or client?

Sure, maybe. It's hard to say. Like our last two leads, Amy and Bryan, Casey has shown some interest in your business, but they're much higher up in the sales funnel. We don't know what product or service they're interested in, or if they're really interested in anything at all right now.

So, does Casey even count as a lead? Let's break it down.



When is a lead a lead?

Earlier, we defined a lead as a person or organization who might one day purchase a product or service from your business. We left that definition broad on purpose. Identifying, categorizing, and converting leads is far from an exact science. How you approach it is totally up to you.

Maybe you consider someone a lead once they've taken a predefined action—e.g. after they've emailed your business or engaged in a chat on your website, or after you've gotten them on the phone.

Or maybe you're very particular about your leads because relatively few people or organizations who contact your business ultimately become buyers.

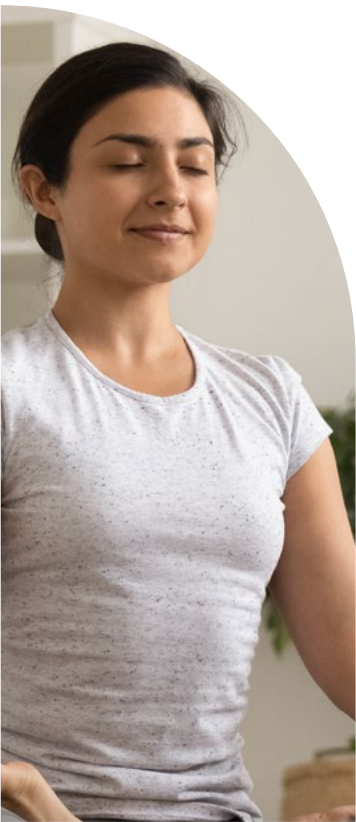
The point is that a lead is a lead when you decide they're a lead.

It's a matter of weighing your customer acquisition costs with your ROI, and taking initiative when it's financially viable.

What's your value proposition?

Now, we're not suggesting that you reach out to every one of your contacts and social media followers and give them a hard sell. Doing so would likely waste your time and repel people, like Casey, who might otherwise be interested in your business if they didn't feel so pressured at the outset.

However, there's plenty you can do to attract Casey's interest before that first sales conversation. Strategic, thoughtful marketing will draw Casey in and help them decide whether they might want to make a purchasing decision.



As with Amy and Bryan, it's all about value. Consider what makes your solution valuable to different kinds of customers. In other words, think about your value propositions:

- 1. Do people need your product or service?*
- 2. Does your product or service save money?*
- 3. Does it save time?*
- 4. Does it improve business?*
- 5. Does it keep people safe?*
- 6. Does it make people happy?*
- 7. Does it make the world a better place?*

At this point, your goal is to get the answers to questions like these in front of Casey. If something resonates, pursue that campaign or line of messaging further. If something doesn't land, try a different approach.

The same goes for how you communicate with Casey. Consider using a multipronged approach—for instance, a mix of emails, ads, LinkedIn messages, and perhaps even a phone call if it makes sense for your business—but do it one piece at a time, so as not to overwhelm them, and switch it up if you're not getting through.

Ideally, your approach will come through a channel relevant to Casey, center on one of Casey's needs, and use that need (often called a pain point) to create awareness of your business.

Whoever Casey is, they're a human being.

Always respect your leads. Respect their time and their autonomy.

Remember: every sale is a relationship.

You can't start the relationship by bragging about how great you are and trying to force them to do what you want them to do.

You need to genuinely nurture the relationship. First, get their attention so you can engage them. Then learn about them, listen to them, and then use what you learn to help them see how great you are, and why it makes the most sense to work with you.



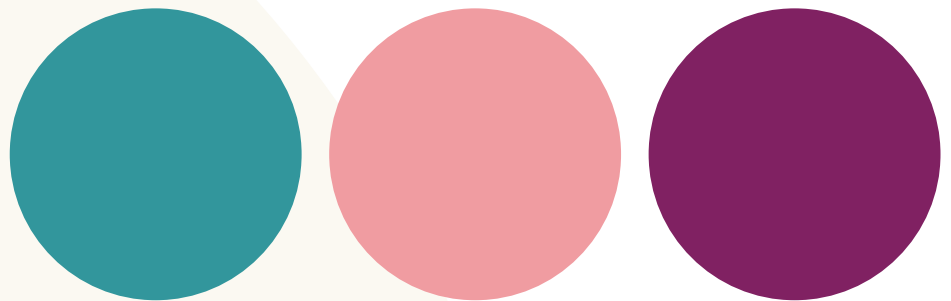
YOUR LEAD STORY IS JUST BEGINNING

And there you have it—three leads, three stories, countless ways to engage, persuade, and embed value throughout the sales process. Amy, Bryan, and Casey are just a few examples of the kinds of prospective customers your business may encounter.

In reality, every sales lead is unique—because every person is unique. Everyone is the main character in their own story.

But everyone who interacts with your business, no matter who they are or where they are in the customer journey, deserves consistently excellent service. That means getting to know and understand them, one unique case at a time. It means building connections.

At **Ruby**, connections are what we do best. Thousands of small businesses across the United States trust Ruby to build connections with their customers and prospects, create positive first impressions, provide unforgettable experiences, and generate word-of-mouth. Our award-winning customer engagement solution captures more opportunities and provides that critical human touch that builds trust in your business.



"Since we signed up with Ruby we've increased inbound leads by 10-15%, while saving over \$1,600 in marketing costs per month. That's a huge return for our investment!"

Ariel Istueta

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