

# Predictive Modeling

## Marketing Automation and Sales Effectiveness

Predictive tools help to integrate work effectively for marketing and sales into the scoring systems of marketing automation platform to prioritize sales efforts. It would be more beneficial to balance between traditional and predictive lead scoring.

### How to prepare predictive models to help business

- Gain insights from past traditional scoring models and get critical information
- Formulate a hybrid scoring model combined with predictive analysis to increase accuracy
- Build a foundation before moving onto scoring models
- Gradually move from traditional to predictive models
- Build a steady stream of data (complete, consistent, sufficient, accurate) to figure out hot leads, sources, etc
- Learn what a quality lead looks like
- Get insight from closed won, and lost business
- Consider the full buyer's journey, including all the content they consume, from the website and across the web
- Leverage data to automate the process of identifying the leads with the highest propensity
- Start small on audience, product, and market
- Use most up to date information
- Incorporate data from external sources
- Fill the gaps from traditional lead scoring with predictive modeling, machine learning and algorithms, to make it more accurate
- Manage internal data in CRM and marketing automation platform
- Predictive models should incorporate all behaviors to identify quality leads
- Build different models on the fly to keep scores adaptive
- It requires continuous testing, measuring, adjusting and feedback – identify which predictive tools help to score leads – usually update scoring models every quarter, but fine-tuning models can be done frequently
- Use filtering to find a good fit of a prospect

- Take advantages of CRM
- Understand what is important to our business – what is useful data?

## Propensity Score Analysis

Propensity score analysis has been evolved and used in many different areas. And more recently marketing and sales also started taking advantage of statistics with experimental models by randomly allocating to a “treatment group” to minimize the chance that 1 product has been preferred to another just because people in 2 groups were different before they evaluated the product and achieving a greater confidence of the conclusion.

The core ideas of propensity score analysis have been adapted and applied in marketing and sales successfully. For example, propensity scores are

- computed using demographic information and other characteristics to predict the responses or purchases
- employed in survey to adjust samples for non-response or to reduce coverage
- used to match for promotional campaigns
- used a number of information you gathered (head count, credibility) which could be anything related to prospective clients.
- detected the details of actions visitors take before and after visiting your website. If someone has visited similar websites, then found your website, downloaded a piece of premium content, etc, they are more likely to have a conversation with you
- typically computed using logistic regression (group status (treated or not treated) on observed baseline characteristics)

Predictive analysis started applied to b2b marketing and sales to improve efficiency, and b2b firms would need to think about (1) how easy to implement these analytical aspects to their marketing automation system and (2) what expected ROI would be through predictive analysis.

B2B predictive analysis usually help to achieve efficient account-based marketing and inbound marketing. What predictive analysis should be able to support:

- build analytics to prioritize the vertical, account, coverage

- pipeline forecasting – leads, speeds, \$ expected
- install base mining – segmentation, best customer modeling, propensity for cross-sell, renewal/churn
- optimize channels and monitor performance
- measure MQL and SQL conversion to distinguish good or bad leads, evaluate lead scores, improve scoring analytics
- pricing to increase win-loss ratios
- audit effectiveness of Sales Force, create metrics such as quota to pipeline ratio, opportunity conversion ratios, time in customer facing activities), and remove the bottlenecks to productivity
- set up content analytics
- gather better data using AI on customers and create a micro-categorization scheme

By setting up the models properly, it will help:

1. Predictive models even can detect executives in a large customer organization who will more likely turn to be a client
2. Show ranked recommendations and scores
3. Big data (from multiple sources) will help personalize marketing and sales strategies
4. Go through raw information to find prospective leads (lead scoring) which will help with ABM

### **Propensity Modeling**

It does use machine learning algorithms to process historical data, predict on contact information, lead elements, certain actions to happen, and enables the automation like lead scoring and content personalization

### **Predictive Analytics**

Combined with propensity modeling, the outcome will be more accurate to predict customers that are more likely to convert by using reliable and accurate data. Predictive models will help to predict certain actions, also measure if it “fits” to a defined persona (CFO, marketing manager, etc) through persona scoring method. As a top down approach, we can define what “CFO” looks like. Bottom-up data will identify quality leads through examples of people who have bought the product previously. And It should support the idea of likelihood for an action to happen.