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Digital Lead Generation and Nurturing: A Holistic Approach

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Abstract

Lead generation and nurturing is fundamental for company profitability. Simultaneously, it is consistently reported as a top challenge for companies across industries. While the digital transformation stirs up organizational design, the purpose of the marketing function is altered. This study explores the role of marketing in lead generation and nurturing from three perspectives: marketing, information systems, and management. Twelve expert interviews are conducted and the data collected through these forms the basis of the study. The results show that organizations tend to invest in technology as a way of developing lead generation and nurturing, without sufficient consideration being given to change management and the holistic approach associated with this. By neglecting the importance of supporting processes and competence, organizations tend to be ill-equipped to effectively execute lead generation and nurturing programs through the marketing function. To support executive managers in strategic decision-making, a framework emphasizing a holistic change management approach to lead generation and nurturing is developed.

Keywords Lead Generation, Lead Nurturing, Digital Marketing, , Customer Acquisition, Marketing Technology, Change Management

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Abstrakt

Generering och upparbetning av potentiella kunder är en förutsättning för ett företags lönsamhet. Samtidigt är denna process rapporterad som en av de mest problematiska inom flera branscher. Den digitala transformationen förändrar organisationsstrukturer, och däribland marknadsföringsfunktionen. Denna studie utforskar marknadsföringens roll i digital kundanskaffning från tre perspektiv: marknadsföring, informationssystem, och management. I arbetet genomförs tolv expertintervjuer och den insamlade informationen utgör grunden för studien. Resultatet tyder på att organisationer tenderar att investera i teknik för att utveckla den digitala kundanskaffningen, utan tillräcklig hänsyn till förändringsutveckling och dess holistiska krav. Genom att underskatta betydelsen av stödprocesser och kompetens, tenderar organisationer att vara dåligt utrustade för att effektivt generera och upparbeta potentiella kunder under marknadsföringsprocessen. För att stöda verkställande chefer i deras strategiska beslutsfattande, utvecklas ett ramverk för ett holistiskt tillvägagångssätt till digital kundanskaffning.

Nyckelord: Digital kundanskaffning, Digital marknadsföring, Marknadsföringsteknologi, Förändringsledning

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1 Introduction

In an era of digital transformation, companies are developing automated marketing and sales systems to grow revenue predictably and reliably (Marketo 2012). Consumer behavior is changing, interactive channels are growing and pressure on marketing managers to improve return on investment (ROI) is increasing (Anderson et al. 2004; Report 2016). Old linear sales models are questioned and the role of marketing is evolving to fit a more holistic function in the sales process (Anderson et al. 2004). Marketing teams are taking more responsibility for revenue and sales strategy, thus having to manage large quantities of data efficiently, rather than just purchase lists, create inbound engagement or launch outbound campaigns (Marketo 2012). The ones that promote a digital revolution see this as an exciting opportunity for the discipline and argue for marketing to reshape itself to survive (Barwise and Farley 2005; Day and Bens 2005; Day 2011).

As technology is crucial to this transformation, marketing programs across channels and lines of business need to be integrated and customer communication optimized (Anderson et al. 2004; Quinn et al. 2013). Customer data needs to be tracked, and performance across the marketing mix needs to be measured (Anderson et al. 2004). Big data has been used in predictive analytics for decades (Bi and Cochran 2014), but the positive effects of marketing intelligence capabilities on performance is only growing (Germann et al. 2012). Digital technology supports and influences the overall strategic direction of a company (Ivang et al. 2009), making it fundamental to produce rich and actionable insights at scale (Day 2011). Managers have often struggled to keep up with the impact of technological change, however, and a widening gap has been noted between what is technologically possible and the ability to execute (Day 2011; Wymbs 2011; Troester 2012; Feit et al. 2013; Finch et al. 2013; Stone and Woodcock 2014).

A low level of maturity commonly starts with a lack of understanding of the ways the market is changing. This often results in companies doing more of what they have always been doing, pushing their message out broad and loud. However, when marketers turn up the volume, buyers simply tune out (Anderson 2008). Research indicates that there is opportunity to create sustainable competitive advantage through the application of big data, but that social, technological and human consequences are only now beginning to emerge (Matthias et al. 2017). Business intelligence is becoming more and more sophisticated, and marketers need to adapt their competence (Stone and Woodcock 2014). Even though there is a wealth of software solutions available claiming to automate and simplify many different processes for marketers, the mere amount of programs makes piecing them together into a comprehensive system, or marketing stack, nearly impossible. In just the past six years, the marketing technology landscape has grown from 150 acknowledged companies to over 5000 offered solutions on the market (Brinker 2017). Marketing stacks today can be so complicated that operating them is even more difficult than manually completing the tasks they are designed to automate (Albert 2017b). Adding to the complexity, a recent study showed that 55% of the surveyed companies use 10 channels to interact with customers (Minkara 2017). However, another recent study showed that only 6% experience their current tools and approaches as working sufficiently well (Forrester 2017).

In business to business (B2B) marketing, generating and improving the quality of leads, or potential customers, is persistently reported as a top challenge in the industry (Warner 2013; American Association - Inside Sales Professionals 2016; Schulze 2016). Lead Generation is a widely-used term defined as “The action or process of identifying and cultivating potential customers for a business’s products or services” (Oxford Dictionaries. 2017). The closely

related term Lead Nurturing, is the process of building and nurturing relationships with ongoing, valuable communications, whether or not the prospect becomes a customer (McGlaughlin et al. 2012). Even though a growing interest towards data-driven solutions has been observed (Report 2016), the digital maturity level is low, and lead generation as well as nurturing is still largely based on guesswork (Monat 2011). Most managers believe they know the key characteristics for convertible leads, but few actually use quantitative tools to validate their beliefs (Monat 2011). Research indicates that approximately 20% of a sales representative's time is spent selecting prospects and depicts prospecting as one of the most difficult parts of the selling process (Moncrief and Marshall 2005). Since there is no academic consensus on lead conversion theory available, personal experience, gut feeling and the literature a person recently has read will produce an educated guess on best practices (Monat 2011). This results in errors in assessment and poor insight, which in turn leads to forecasting errors and bad allocation of resources (Monat 2011), decreasing the overall value of the company over time (Hansotia and Wang 1997).

1.1 Purpose and Aim

Despite calls for researchers to keep pace with the impact of the digital development (Sheth and Sisodia 2006), there is insufficient research examining the ways in which marketing responsibilities are defined and strategic opportunities are being shaped in the digital era (Quinn et al. 2013). Researchers call for studies on marketing's part in achieving profitable growth (Reibstein et al. 2009) as well as implementable research for marketing executives (Reibstein et al. 2009; Quinn et al. 2013). Even though academia has focused on the technological barriers arising from digital data, new metrics and advanced analytics (Humby et al. 2004; Snijders et al. 2012), little attention has been given to the impact advancing technology and the rapid increase of data has on the practice of marketing and the real challenges companies are facing going digital (Quinn et al. 2013; Leeftang et al. 2014).

Addressing this gap in academia, the *purpose* of this thesis is to explore the challenges marketing managers face in lead generation and nurturing. The *aim* is to propose a framework for best practices in lead generation and nurturing, designed to support managers in strategic decision-making processes.

1.2 Research Question

The research question (RQ) of this thesis is the following:

What challenges do organizations face in lead generation and nurturing, and how could a framework look to support strategic decision making in this process?

This research question encompasses three areas of exploration. First, what lead generation and nurturing is. Second, what challenges organizations experience in the field. And third, how the insights of the first two areas can be developed into a framework that helps marketing managers in their strategic decision making processes.

1.3 Scope and Delimitations

In order to explore lead generation and nurturing, theory is drawn from three disciplines: marketing, information systems and management (Figure 1). The base of the empirical study is built on these three disciplines as well. The study explores these fields in order to answer the

research question, and is first and foremost focused on the marketing function in a business to business (B2B) setting. For illustrative purposes, however, a business to consumer (B2C) perspective, as well as the sales function, are briefly discussed in this thesis. Legal issues with data collection and management are mentioned, but not a focus of. Likewise, offline marketing is brought up to provide context, but is not elaborated upon. Lastly, this thesis discusses the topic of lead generation and nurturing on a strategic level, leaving any detailed discussion of tactics or methods outside the scope. Throughout the thesis, the term *product* incorporates both products and services.

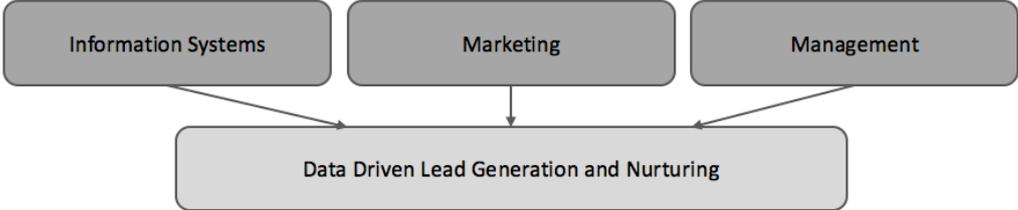


Figure 1 This thesis draws from the disciplines of Information Systems, Marketing, and Management

1.4 Outline

The thesis includes the following sections: Literature Review, Methodology, Data, Findings, Discussion and Conclusion. The Literature Review explores previous research in the disciplines of Marketing, Information Systems and Management, creating a basic understanding of lead generation and nurturing. The Methodology section describes why an interpretivist paradigm was chosen, how the qualitative study was carried out, and in what ways it was influenced by grounded theory. The Data section presents the data and the way in which it was analyzed. In the Findings section, the results of the analysis are presented, and in the Discussion the findings are discussed in relation to the literature review as well as the research question. The proposed framework to support managers in strategical decision-making processes concerning lead generation and nurturing is also developed in the Discussion section. In the Conclusion, the answer to the research question is summarized and future research is suggested.

2 Literature Review

The literature review explores the research written about lead generation and nurturing in order to establish an understanding of the landscape. The literature review is based on three disciplines, Marketing, Information Systems, and Management. Lead generation and nurturing being a field of rapid development, makes thought-leaders and global software providers key stakeholders in the change. This arguably makes it relevant to consider both academic literature and that of thought leaders and market leaders in the industry.

2.1 A Marketing Perspective

Looking first at lead generation and nurturing from a marketing perspective, this section introduces five relevant areas: Customer Power, Marketing Concepts, the Outbound and Inbound Paradigm, Content Marketing, and Search Engine Optimization (SEO) and Search Engine Marketing (SEM) (Figure 2).

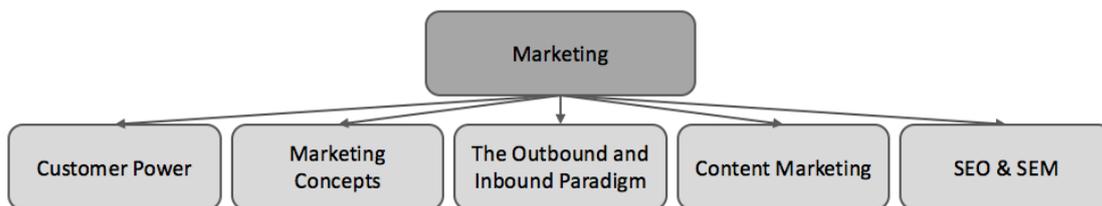


Figure 2 Five areas of Marketing are introduced in the Literature Review

2.1.1 Customer Power

The vast amount of information available online, such as content created by companies as well as consumers, has shifted the power from the seller to the buyer (Labrecque et al. 2013), and customers are often aware of the solution they want before contacting a sales representative (Labrecque et al. 2013). Statistics from Conversica (2015b) also show that 90% of buyers want to decide themselves when to engage with a company, 83% want to know “more” about a company before engaging with it, and 73% are not ready to buy when they first provide their contact information to a company.

Peer communication is a form of consumer socialization, which has contributed profoundly to the shift towards customer power. This has called for new marketing strategies with social media as a feedback system (C2B), which is cost effective and instant, although complex at large scale (Opreana and Vinerean 2015). However, social media also makes negative word of mouth spread fast (Habibi et al. 2015), and can potentially be very damaging to a brand (Gensler et al. 2013). On the other hand, a happy customer can become an advocate and influencer of a company through online presence, which also adds to the power of the consumer (Malthouse et al. 2013).

2.1.2 Marketing Concepts

Customer Journey

The customer journey is a popular framework that exists in many variations. It can be described as a series of online and offline touchpoints in different channels that make up a consumers

interaction with a brand (Skinner 2010; Halvorsrud et al. 2016). Delivering an efficient personalized, relevant and engaging experience requires deep knowledge and understanding of the consumer, including who they are, what devices they use and what content they want to see (Stone and Woodcock 2014). The customer journey can be pictured as either static or dynamic, where a static journey is the planned set of interactions from a company's perspective, and the dynamic journey is the actual interactions experienced by the customer (Halvorsrud et al. 2016). Quite naturally, the dynamic customer journey is complex to map and of high value to the company (Hall and Towers 2017).

Mapping a customer journey is a fundamental stepping stone in aligning marketing, sales and service processes (Trailer et al. 2016). Every phase of the journey can have one or several touchpoints (Trailer et al. 2016), and the entire journey generally consists of many touchpoints, one study reporting an average of 9 marketing touches (Kucera 2014). Hall and Tower (2017) also acknowledge that a company does not have full control over this journey, that other people and third parties influence the development of the journey. For example, asking for input on social media, which often is out of sight of the company, is a common way for the buyer to conduct research out of the company's direct control. The customer journey, when approached as a strategic design process, can provide all the elements of a business with a unifying organizational map and strategies as well as tactics across the entire organization (Norton and Pine 2013). More significant still, a well-honed, consumer-driven customer journey can give companies competitive advantages that create the environment to get new jobs done for consumers (Norton and Pine 2013)

The Customer Acquisition Funnel

The Customer Acquisition Funnel, offers a way to describe the customer acquisition process, dividing it into different stages (Ang and Buttle 2006; Patterson 2007; Yu and Cai 2007). The conceptualization of the funnel is widely recognized in academia, even though the design varies from study to study. The funnel is a popular tool in all its shapes and forms, and in fact, a recent report shows that best-in-class companies are 69% more likely to align their marketing content with key stages of the sales funnel (Ostrow 2015). The funnel framework is useful for communicating the customer acquisition strategy at a company and can incorporate both marketing and sales operations (Järvinen and Taiminen 2015).

In order to illustrate the marketing operations in a funnel framework, Figure 3 presents the first 3 stages of Järvinen and Taiminen's funnel (2015). The three stages represent the company's marketing operations and consist of: Identified Contacts, Marketing Leads and Sales Leads. Beginning with stage one, identification is achieved through contact info, login, cookies or IP addresses, after which the identified contact is classified as either a marketing or sales lead. In stage two, the contacts that meet predefined criteria but have not made a sales inquiry, are classified as marketing lead. These leads are placed in nurturing and lead scoring programs. In the third stage, the marketing leads are ready to be contacted based on lead scoring or direct sales inquiry. Thus, they are transferred to the sales queues for contact and become sales leads. Further, Content Creation and Content Delivery Channels are used to drive traffic into the funnel.

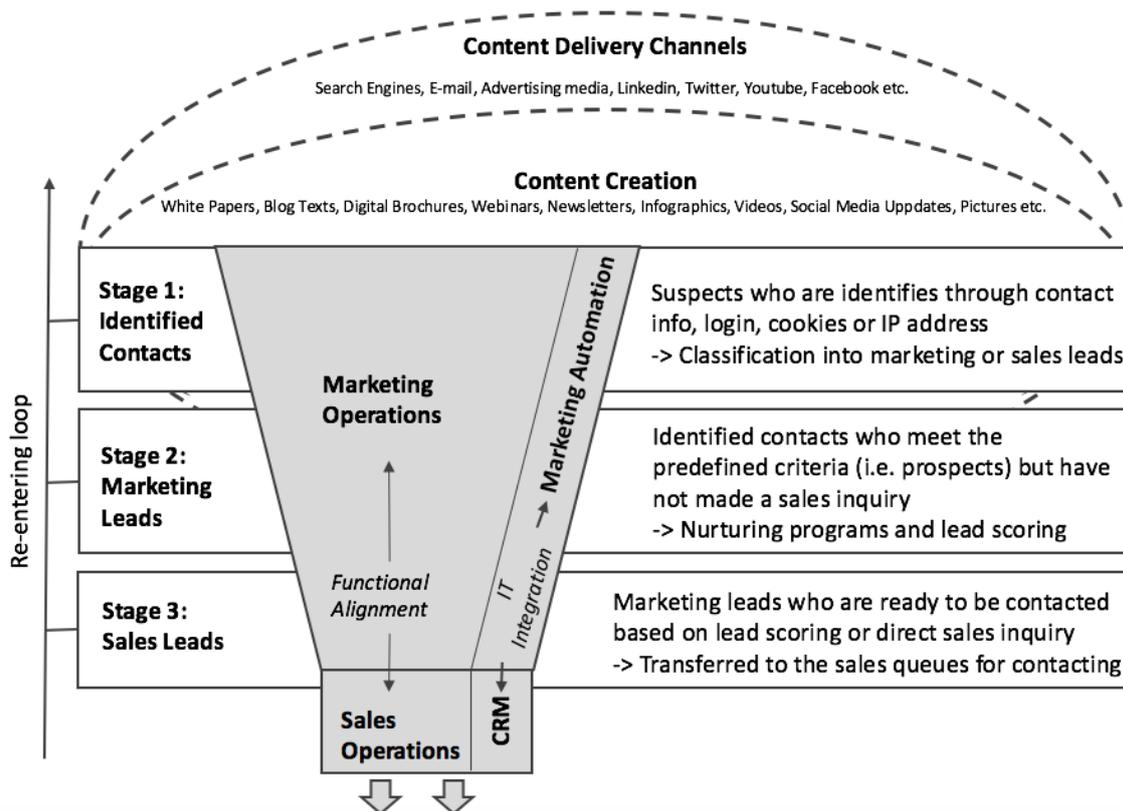


Figure 3 The Customer Acquisition Funnel, based on the work of Järvinen and Taiminen (2015)

2.1.3 The Outbound and Inbound Marketing Paradigm

Due to the change in customer behavior and power, Opreana and Vinerean (2015) argue that businesses no longer can rely on traditional outbound marketing tactics. The traditional focus of pushing a message out is no longer effective, nor is interrupting customers with advertising (Opreana and Vinerean 2015). A few examples of outbound marketing and sales tactics are advertisement, cold-calling, email blasts (Halligan and Shah 2009), loyalty programs and newsletters (Vernuccio and Ceccotti 2015). According to Halligan and Shah (2009), the change in consumer behavior is a major reason for outbound tactics losing effect, since consumers are tuning out unwanted communication through ad blocks, caller-ID:S and spam filters. Instead, they are increasingly turning to search engines, social media and blogs to find what they are looking for (Halligan and Shah 2009). These are all part of an inbound strategy. In contrast to the interruptive paradigm of outbound marketing, inbound marketing pulls potential customers in by offering something meaningful to them, on the consumer's terms (Opreana and Vinerean 2015). In inbound marketing a multilevel approach is often utilized (Halligan and Shah 2009; Opreana and Vinerean 2015).

However, some thought leaders argue that both outbound and inbound strategies still are relevant to use. The best practices for a company will depend on several factors and is often not as simple as solely choosing inbound or outbound. Conversica (2015) discusses four different factors that will affect the strategy. 1) The type of leads pursued – can they be targeted and qualified through inbound marketing? 2) Company stage – creating a market or expanding an established market. 3) Business model – are free trials or demos relevant, or even possible? And 4) Primary prospect base – are early adopters or the mainstream market targeted? For example, a company that is addressing a new market, or has not yet built a sufficient inbound lead volume, will need to use outbound methods along with their inbound methods (Conversica 2015a).

Some even argue that inbound and outbound marketing initiatives are not opposing or conflicting, but complementary parts of a comprehensive lead generation and nurturing strategy (Moravick 2016). Further critique towards the inbound promotion points out that actual practitioners of digital marketing consider the distinction between inbound and outbound artificial, arguing that no form of marketing can fit any of these artificial concepts and that practitioners rather discuss an overlapping concept of a grey zone (Bleoju et al. 2016). A table of typical characteristics for outbound and inbound marketing according to Opreana and Vinerean (2015) is presented in Table 1.

Table 1 Characteristics of Outbound and Inbound Marketing, based on the work of Opreana and Vinerean (2015)

	Outbound Marketing	Inbound Marketing
<i>Basis</i>	Interruption	Organic
<i>Focus</i>	Finding customers	Getting found by potential, existing and aspirational customers
<i>Aim</i>	Increased sales	Creating long lasting relationships by reaching and converting qualified consumers
<i>Target</i>	Large audiences	Interested prospects
<i>Tactics</i>	Print advertisements	Blogs, eBooks, White papers
	TV advertisements	Videos on YouTube, Vimeo etc.
	Outdoors advertising	Search Engine Optimization tactics
	Cold calling	Infographics
	Trade shows	Webinars
	Email lists	Feeds, RSS
		Social Media marketing tactics

2.1.4 Content Marketing

Content is the foundation of inbound marketing. In simple terms, it is a way to get potential buyers to interact with a company, and can take many forms (Järvinen and Taiminen 2015). Opreana and Vinerean (2015) identify blogs, eBooks, infographics, slideshows and interactive content as popular forms of content, whereas a LinkedIn study reports case studies, best practices and how-to guides as the most efficient forms of content (Schulze 2016). According to the LinkedIn study companies allocate 10% of their marketing budget to content, and they most commonly publish content once a week (30%), once a month (20%) or every day (15%).

Järvinen and Taiminen (2015) emphasize the promotion of brand-awareness and image, fostering customer engagement and increasing sales through lead generation, upselling and cross-selling. According to Schulze (2016), content marketing is increasingly used to engage buyers and educate, inform, entertain and guide them through their customer journey.

Content can be distributed through a number of different channels. In the above mentioned LinkedIn study, social media ranked as the most important distribution channel of content (82%) followed by company websites (79%) and email campaigns (74%), whereas paid advertisement was scoring low at 30% (Schulze 2016). LinkedIn was seen as the most efficient social media platform to deliver content and engage audiences (80%), followed by Youtube (62%), Twitter (60%), Facebook (53%), Slideshare (29%) and Instagram (22%). It is worth noting that the high score given to LinkedIn may in part be attributed to the sample fully consisting of LinkedIn users.

Having an efficient analytics system makes it easier to create relevant content for the targeted decision-makers (Habibi et al. 2015). A/B tests are experiments that compare two alternative solutions in randomly selected samples from the same population (Chudzicki et al. 2015), and

according to a study by Moravick (2015), conducting A/B tests is recommended for finding the most impactful and relevant content for a target group. Furthermore, testing and troubleshooting content in viewing environments like browsers, mobile devices, mobile apps, email and social channels is recommended. An effective mindset is argued to build on testing, re-testing, reviewing, re-reviewing, rinsing, reworking, and repeating (Moravick 2015).

Distribution through social channels often takes place in channels such as online communities, blogs, user-forums and social networks (Habibi et al. 2015). Social media has made it easy to share and digest information on the internet and makes content feel more authentic than traditional advertisement (Opreana and Vinerean 2015). Arguably the value of online communities is significant (Iskoujina et al. 2017), and an interesting note to make, is that social networks encourage all types of communication (Opreana and Vinerean 2015):

- Business to Business (B2B)
- Business to Consumer (B2C)
- Consumer to Business (C2B)
- Consumer to Consumer (C2C)

In the case of B2B and B2C communication, a study capturing data from 2013-2016 showed that the critical success factors for leveraging social media effectively are focus, speed, integration (holistic strategy) and adoption (competence among managers) (Trailer et al. 2016).

2.1.5 Search Engine Optimization and Search Engine Marketing

Search Engine Optimization, commonly known as SEO, is an inbound marketing process with the goal of increasing the visibility of an organization's website by making search engines rank it higher in the organic results (McGlaughlin et al. 2012). The two main ways to improve ranking on search engines are through consistent, valuable content and a high quality website (Opreana and Vinerean 2015). SEO includes both internal and external optimization and improves the user experience since visiting a well-structured website with relevant links leading in and a logical site structure makes it easier to find the content one is looking for (Opreana and Vinerean 2015).

Since customers often begin their buying process with online search, it is fundamental for a company to rank high for relevant searches (Opreana and Vinerean 2015). In fact, a global study conducted by HubSpot, a market leader in marketing technology, showed that SEO and organic presence is viewed as the most important inbound activity across markets (An and Oetting 2017). While there is no cost-per-click for organic listings, the expense in SEO stems from the in-house or outsourced resources that are needed (McGlaughlin et al. 2012). Search Engines, such as Google, continuously make changes to their search algorithms, which impacts websites and SEO, creating a need for continuous optimization by the marketing team (An and Oetting 2017). Methods used in SEO include working with relevant keywords, optimizing webpages and content as well as creating links around chosen keywords (Opreana and Vinerean 2015).

Search engine marketing (SEM) is an outbound marketing strategy where online advertisement is bought and targeted towards chosen segments. SEM is generally based on a cost-per-click model (CPC) where payment is based on the number of clicks on a link. The advertiser pays regardless of what the lead does when it has clicked the link. (McGlaughlin et al. 2012)

2.2 An Information Systems Perspective

Looking at lead generation and nurturing from an information systems perspective, it can be noted that the technological development in lead generation and nurturing is highly fast paced. This section introduces the four areas of Big Data and Analytics, Artificial Intelligence (AI), the Single Customer View (SCV), and Marketing Automation (MA) (Figure 4).

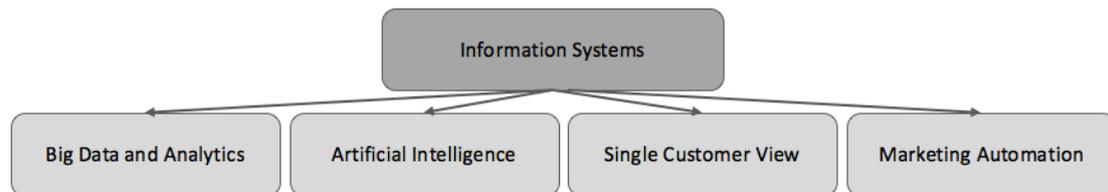


Figure 4 Four areas of Information Systems are introduced in the Literature Review

2.2.1 Big Data and Analytics

Big data describes the exponential increase, obtainability and use of information in both structured and unstructured form. The share volume of detailed information is enabled by sources such as organizations, mass media, multimedia, social networks and the Internet of Things (IoT). Data analytics is the analysis of these vast datasets, and has become a corner stone in modern organizations. The goal of data analysis is generally to develop technology, productivity and innovation to enhance competitiveness. (Halligan 2014)

The explosion of analytical tools on the lead generation and nurturing market, provides businesses with an unprecedented amount of insight into how, when, and to what extent their content is consumed (Ostrow 2015). This insight can be used for better customer targeting, time management and engagement planning (Engle and Barnes 2000). With the help of technologies such as data mining, every stage of the customer journey can be analyzed, and the customer behavior at every touch point evaluated. Thus, the marketer must mine, analyze and interpret information in order to make actionable insights (Hauser 2007).

Big data analysis can take one of three forms. First, historical analysis, or what has been, second, predictive analysis, or what may come, and third, prescriptive analysis, or recommendations on what action to take based on the potential future (Christensen et al. 2016). By introducing technology that eliminates human bias, hundreds of attributes and tens of thousands of historical instances can be analyzed to improve accuracy (Trailer et al. 2016). In the case of lead generation and nurturing, this means that, based on previous outcomes in similar deals, a machine can score opportunities in a marketing or sales funnel and determine the likelihood of it moving forward. By looking for patterns among the leads that eventually closed versus those that didn't, teams can identify lead sources, marketing channels and offers that have better odds of producing leads from the right people at the right companies. Analytics is often associated with companies' own data, which is why data ownership is valuable, but external data sources may be used as well (Trailer et al. 2016).

The flip side of sophisticated data analytics becoming essential to business insight and commercial survival, is the rising inability to address strategic questions. A denial of the relevance of fundamental strategic marketing principles is reported among some digital agencies and consultancies. These principles include integration of key performance indicators

(KPI:s), channel cohesion and marketing accountability. However, the same study identified that client organizations still recognize the value of traditional marketing practices and strategic principals. (Quinn et al. 2013)

2.2.2 Artificial Intelligence

Artificial intelligence is argued to close the gap between simple automation tools and the one-to-one sales call (Conversica 2015b). However, what marketers are currently experiencing with targeting and programmatic media buying, is arguably far from the AI-driven marketing that potentially can enable autonomy and ongoing improvement throughout the customer journey (Forrester 2017). The ultimate goal of artificial intelligence is often depicted as automating tasks in order to enable people to focus all attention and effort on the high-level thinking that only human intelligence is capable of (Albert 2017a).

In a study by Forrester, it was found that marketers expect only incremental efficiency gains using current approaches. 81% of the marketers in the study reported that they expect efficiency gains of 10% or less using current tools and processes for marketing optimization (Forrester 2017). The implementation of AI in lead generation and nurturing goes well beyond computer automation, including natural language processing and advanced machine learning to transform customer interactions (Albert 2017b). For example, one type of AI robot available on the market claims to address three key challenges the sales department faces (Conversica 2015b). First, it offers a virtual sales assistant that can contact and qualify every individual lead. Second, it interprets individual potential buyers, collecting data on their specific situation. When the suspect is ready to engage in communication, the AI system knows when, where and how the suspect prefers engaging. Third, an AI system can gather data on every sales process in a familiar, conversational way that makes the customer feel empowered, letting her feel in control and volunteer information on her own terms. This lets sales personnel focus on closing pre-qualified leads who are prepared to buy. AI systems like this simplify sales, marketing and customer support, and are often built to integrate with market leading marketing automation platforms such as Salesforce, Marketo, Pardot and Eloqua (Conversica 2015b).

2.2.3 Single Customer View

The single customer view is a way of documenting all knowledge about customers in a database that is accessible to all relevant stakeholders (Stone and Woodcock 2014). The level of understanding that is gained from tracking consumer interaction across channels, such as social platforms, websites and loyalty programs, drastically help businesses provide a seamless consumer-to-brand experience (Schutz 2016). The biggest drivers of a SCV strategy include better customer loyalty, increased sales and improved strategic decision-making (Schutz 2016), as well as improved segmentation and targeting (Stone and Woodcock 2014). The single customer view is a strategy that should be implemented over departments, since it is part of an overall customer centric strategy (Stone and Woodcock 2014).

Critique against SCV states that it is not an achievable goal for all companies, due to limitations in technology, markets and customer requirements (Stone and Woodcock 2014). A common strategy is therefore to incrementally move towards an SCV based on cost/benefit analysis as well as the availability of competence (Stone and Woodcock 2014). Further, consumer concerns about privacy are increasing the resistance to intrusive tracking and monitoring initiatives (Lyon 2004; Ball and Haggerty 2005), which can problematizes the SCV. However, the widespread

acceptance and consumption of digital and social media suggests that consumer paranoia may have been overrated (Quinn et al. 2013).

2.2.4 Marketing Automation Systems

A marketing automation system is a software solution that supports marketing processes like lead scoring, nurturing and management, helping execution and measurement of marketing tasks (McGlaughlin et al. 2012). MA systems can offer powerful predictive analytics that leverages big data to provide a more accurate assessment of lead quality (Christensen et al. 2016). Common features in MA systems include activating updates on new prospects, prioritizing hot leads, staying up to date on prospect activities and nurturing leads for the future, thus avoiding cold calls (Pardot 2014).

When looking at reasons not to use an MA system, one study found that the number one reason reported was the lack of a mature marketing process (Kucera 2014). The second reason was cost, and another concern, which also was the top concern in overall demand generation, was establishing a sufficient amount of high quality content, which is needed for the MA systems to run efficiently.

A defined marketing process is fundamental for effectively using an MA system. So is aligning the marketing process to the sales funnel and creating mutual definitions of lead stages with associated actions. In a study by Kucera (2014), best-in-class companies reported that marketing and sales collaborate when defining these stages and actions. Defined lead stages make it possible to score leads for sales prioritization. In the same study, 95% of the best-in-class companies rated the possibility to rate leads as “hot” as highly important. Having a foundational lead process in place makes it possible to use an MA system to base the scaling of marketing activities based on best-practices (Kucera 2014).

Lead Nurturing

According to McGlaughlin et al. (2012), lead nurturing can be divided into four stages, 1) outreach, 2) engagement, 3) new customer, and 4) ongoing nurturing. Outreach nurturing can be seen as a synonym to lead generation and is used to capture new leads, or permission from new leads to have a salesperson reach out to them. Outreach can also collect additional data from a lead. Engagement nurturing targets prospects that are early in the sales cycle with the goal of building stronger relationships and increase interest. It can be used to re-engage old leads by, for example, sending out content that matches their needs, such as articles, whitepapers and webinars. New customer nurturing provides educational how-to information to new customers to propel customer satisfaction and ongoing nurturing is consistent communication intended to keep a brand top of mind for a customer. Regular company newsletters are a common nurturing method for this.

Critique towards lead nurturing is related to the sophistication of the process. Conversica (2015b) argues that it is not as easy as adding simple email automations, auto-responses or prompts to call, in a marketing automation system. This may actually only add to the challenges since it takes away from the customer’s power to choose when and where to engage, as well as their wish and expectation to be treated as an individual.

Lead Scoring

Lead Scoring is the process of adding or subtracting points to leads based on various attributes and behaviors (McGlaughlin et al. 2012). Simply put, lead scoring is a way to measure how interested a lead is in a product (Pardot 2014). Numerical values are given to different actions, giving higher points to more valuable actions, and to attributes that reflect how well a lead matches a company's ideal customer profile. These include attributes such as job title, industry and company size (Pardot 2014).

As mentioned in section 2.2.1. Big Data Analytics, scoring can be made in a historical, prescriptive, or predictive manner (Christensen et al. 2016). Predictive opportunity scoring is the most sophisticated form of scoring, where data from historical cases are used to provide actionable advice. For example, if a deal has been stuck in the same stage of the funnel for longer than average, the MA system can run its attributes against historically similar deals and prescribe actions that worked in the past. (Christensen et al. 2016)

2.3 A Management Perspective

Looking at lead generation and nurturing from a management perspective, there are different views on how organizations are evolving to leverage digitalization. Some argue that technology affects how, where and by whom marketing activities are carried out (Postman 1992). Others point out that the integration and accountability of marketing technology is hindered by operational barriers (Quinn et al. 2013). The digital agenda is argued to still be in its infancy, and the barriers experienced are argued to neither be new or confined to the marketing discipline. Problems associated with internal communications, sharing of strategic vision and data quality have been common problems in organizations for over 20 years (Quinn et al. 2013). Thus, the implementation barriers in the digital agenda remain the same, old problems in a new setting. This section introduces three areas of management in lead generation and nurturing: Alignment of Marketing and Sales, the Competence Gap, and Outsourcing (Figure 5).

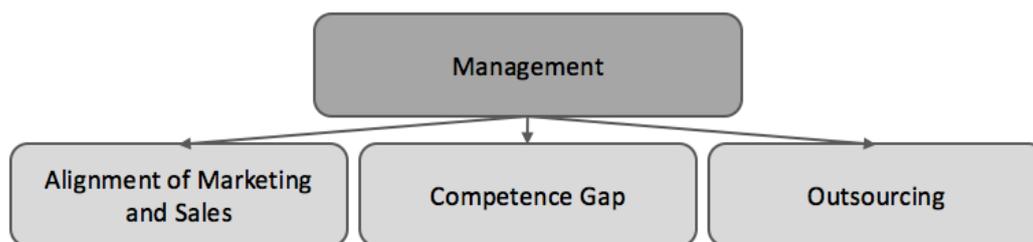


Figure 5 Three areas of Management are introduced in the Literature Review

2.3.1 Alignment of Marketing and Sales

Sales and marketing alignment is not a new topic, but it is still a challenging one for many organizations (Malshe et al. 2016; Trailer et al. 2016). Some researchers argue that the two functions together can take on a greater strategic significance in the organization (Piercy 2006), and many agree that marketing and sales are jointly responsible for marketing activities and creating a superior customer value (e.g. Guenzi and Troilo, 2007; Trailer et al., 2016). Marketing and sales are also experiencing enhanced automation which stresses the importance of the two departments working in alignment (Coe 2003; Sharma 2007). When aligning the two

departments, having the customer journey as the main design point is a general recommendation (Trailer et al. 2016).

According to Kotler et al., the marketing and sales functions should go from being separate silos, to being aligned, to being integrated (Kotler et al. 2006). Alignment is commonly achieved through structural connection, cross functional tasks, new technologies and financial incentives (Snyder et al. 2016). And integration is usually achieved through centralized planning and budgeting as well as comprehensive management tools (Anderson 2008). A common example of aligned planning is the collaborating and agreeing upon what a qualified lead is, creating a description that is both objective and stable (Christensen et al. 2016).

Confusion about the actual purpose and function of the marketing and sales department has been noted by researchers as well. As an illustrative example, one definition of sales strategy is the planning of sales activities: methods of reaching clients, competitive differences and resources available (Storbacka et al. 2009), which is very similar to common definitions of marketing planning (e.g. McDonald and Wilson, 2016). Thus, implying that the line between the two functions has been blurred.

2.3.2 Competence Gap

There is a noted skill gap in the marketing industry (Stone and Woodcock 2014; Möller and Parvinen 2015), and the field is changing so rapidly that organizations have a hard time keeping up. This skill gap seems to be widening (Quinn et al. 2013), especially within client organizations as internal and external relationships continue to change, and particularly because efforts to integrate new insights are so far removed from strategic planning processes. In other words, only a limited group of practitioners are adopting innovative approaches with detailed analysis of large data sets. Senior marketing managers, who have not grown up in a digital environment, find themselves technically ill-equipped, with a lack of understanding, that is limiting how creatively data can be used in practice (Slater et al. 2010). Thus, the large majority is either not adopting the latest approaches, or are outsourcing to digital partners (Quinn et al. 2013).

A recent study identified three patterns of demand that hold true independently of sector, size or industry (Halligan 2014). The patterns are related to distinct categories of skills and competencies needed in the field of big data and analytics:

- 1) Deep analytical talent
- 2) Big data and analytics savvy roles
- 3) Supporting technology roles

Deep analytical roles require a combination of advanced machine-learning, statistical and analytical skills. Big data and analytics savvy roles are found in all levels of an organization, they understand the value as well as potential of big data and analytics. People in this category frame, interpret and utilize insights from data and create actionable insight from their analysis. Lastly, supporting technology roles, include development, implementation and maintenance of the hardware as well as software required to make use of big data and analytics. The study argues for a high current as well as future demand (predictions to 2020) on these roles, especially in the private sector. (Halligan 2014)

Another view on competence demand can be illustrated by revisiting the single customer view (SCV) discussed in section 2.2.3. The SCV, being a foundation for interactive marketing, personal and relevant communication, requires a wealth of data on customers. In theory, all data needed is available, however, what companies struggle with is the training and experience needed to track and analyze the data. Analytics is not only about having a database and the requisite technology to manipulate it. Marketers need to have a holistic understanding of the process, including the business strategy, the customer journey, and the data. It is fundamental to know where the data came from and how it was collected, to understand the intimacy and accuracy of it. Most importantly, the data must be interpreted and actionable knowledge created, which proves to be a challenge for many organizations. (Hauser 2007)

Relating to the findings by Halligan (2014), the shortage of deep analytical talent has been internationally recognized as the most acute constraint to big data and analytics growth. The supply of competence is further reduced by experience barriers, where insufficient experience makes it difficult to fill vacancies in all three groups (Halligan 2014). However, the still novel market makes it challenging for employees to build the kind of experience employers are looking for (Halligan 2014). In light of the growing importance of big data and analytics, and the competence associated therewith, the educational sector is encouraged to internalize analytics into their curriculum (Hauser 2007).

2.3.3 Outsourcing

In a society changing rapidly under the influence of socio-techno-economic factors, it is not feasible for an organization to build competitiveness on all levels (Ramachandran and Voleti 2004). Thus, a common organizational response to the competence gap is outsourcing. Digital agencies or even IT managers in other parts of the organization may be the new managers of a company's data. According to a range of researchers (Bartels 1974; Wind and Robertson 1983; Day 1992; Reibstein et al. 2009) this is creating a type of crisis for the marketing function. The argument is that top level management listens to stakeholders that have valuable insight, and that the marketing function has given that away through outsourcing. Consequently, the development of the marketing function is not necessarily lead by the marketing department but outside stakeholders (Bahli and Rivard 2004).

In a literature review made on outsourcing, the authors state that outsourcing traditionally has been used to improve performance and reduce operational costs (Ghodeswar and Vaidyanathan 2008). However, outsourcing has increasingly been used on a strategic level as well, in order to improve business, build sustainable competitive advantage, mitigate risk, extend technical capabilities and free resources for core business purposes (Ghodeswar and Vaidyanathan 2008). Outsourcing is a way to let external suppliers perform business processes more effectively than the organizational could in itself (Ghodeswar and Vaidyanathan 2008). However, the extra coordination and administration needed due to outsourcing may limit the benefits in the end, since a large number of subcontractors could be costlier to manage than in house operations even if they were less efficient (Chalos and Sung 2007). From the large body of research available on the drivers for outsourcing, a summary by Ramachandran and Voleti (2004), is presented in Table 2.

Table 2 Frequently highlighted reasons for Outsourcing according to Ramachandran and Voleti (2004)

<i>Types of Drivers</i>	<i>Drivers of Outsourcing</i>
<i>Frequently highlighted drivers</i>	Cost reduction Core competence focus Flexibility with control Competitive advantage through strategic outsourcing
<i>Technical drivers</i>	Quality improvement Access to new talent and technology Easy availability to suppliers with expertise Economies of scale
<i>Tactical drivers</i>	Shortage of skilled workers Cost reduction
<i>Strategic drivers</i>	Refocus on innovation Focus on core-competencies

Content creation is another function that can be outsourced. In a study made by LinkedIn (Schulze 2016), based on 600 respondents that work in the B2B sector, it was found that the most common challenge with content is finding the time and resources to create it. Tracking the ROI of content was also reported as a challenge. The large majority (89%) create content internally, some (30%) outsource and others (24%) let their content be curated by a third party. User generated content is gaining popularity but is still quite uncommon (at 18%). Planning and strategy are seldom outsourced, whereas the most time consuming and complex pieces of content most often are. These include video production (33%), writing (28%) and design of content (24%). (Schulze 2016)

3 Methodology

This thesis is based on the interpretive paradigm, assuming the understanding and experience of lead generation and nurturing is subjective. Under the interpretive paradigm, knowledge is collected in the form of subjective evidence from participants, thus being qualitative. The focus is primarily on process over outcome, and the study seeks to find patterns that capture meaning and understanding of a phenomenon. (Collis and Hussey 2014)

The methodology used in this thesis is strongly influenced by grounded theory. This is a framework where data collection, coding and analysis systematically and jointly are used to develop an inductively derived theory. Due to the restricting time and resource format of a Master's thesis, the aim of the thesis is to find patterns and provide understanding, rather than producing new theory. In accordance with grounded theory, no theoretical framework was used to guide the study, since any assumptions from underlying theories are to be avoided. The grounded theory includes initial analysis of data and developing categories that illuminate the gathered data. Theoretical sampling is used to confirm these initial categories, and attempts to reach saturation in all relevant categories that have emerged and been modified through continuous analysis of the growing data set. The categories are developed until a general analytical framework is reached with relevance outside the research setting. (Collis and Hussey 2014)

3.1 Method

In this thesis, semi-structured interviews are used as the sole method for the data collection. Interviews are a well proven way to explore how subjects experience and understand the world, letting them describe their activities, experiences and opinions in their own words (Kvale 2007a). Semi-structured interviews are often the sole method for data collection in qualitative projects (DiCicco-Bloom and Crabtree 2006), and assessed to provide sufficient saturation in this thesis. The interviews were scheduled beforehand at a designated time and place (DiCicco-Bloom and Crabtree 2006). All interviews were conducted face-to-face in conference rooms at the subjects' offices, offering a comfortable environment favoring comprehensive data collection (Creswell 2012; Collis and Hussey 2014). To further improve the data richness, the interviews were held in the subjects' and researcher's mother tongue to avoid language barriers. The subjects were briefly introduced to the research question and the theme of the interview beforehand, but were not given the interview questions to study. This was done to minimize the risk of bias and the narrowing of answers (Kvale, S. & Brinkmann 2007). Furthermore, attention was given to the design and flow of the interview journey in order to improve the likelihood of achieving significant new knowledge (Kvale 2007b; Turner 2010).

Other common interview types were considered but ruled out. Unstructured interviews were seen as ineffective since the focus of the study was to explore a field that is not new but rather rapidly changing and different for every practitioner depending on their context. Structured interviews were ruled out since the risk of missing important insight was seen as too high, and the interview situation needed a fair bit of flexibility due to the scope. Quantitative aspects inside the interview were also ruled out due to the sample size. The sample size is well suited for a qualitative study, but not sufficient for quantitative generalizability.

3.2 Sample

According to Marshall (1996) there are three broad approaches to selecting a sample for a qualitative interview: convenience, purposeful and theoretical sampling. The rigorousness increases from first to last, and this thesis uses theoretical sampling. A fairly homogenous number of subjects was chosen to begin with in order to find critical similarities in relation to the research question (McCracken 2011). In practice a number of in-house marketing managers were the starting point of the sample, and the interviews were continuously analyzed in order to identify knowledge gaps to fill through the growing sample (Marshall 1996; DiCicco-Bloom and Crabtree 2006).

The issue of sample size for qualitative research is recognized for its considerable confusion, arguably stemming from an misunderstanding about the aim of qualitative research (Marshall 1996). Since the goal is to improve the understanding about complex human issues, rather than the generalizability of results, qualitative research does not tend to rely on hypothesis testing, but rather a more inductive and emergent approach (Marshall 1996). Thus the sample size used in qualitative research is often smaller than in quantitative research (Dworkin 2012). Even though obtaining an adequate sample is fundamental for conducting credible research, few concrete guidelines are provided for estimating sample size (Marshall et al. 2013). According to Dworkin (2012), a significant number of articles, book chapters and books suggest anywhere from 5 to 50 participants as adequate. She continues to point out that the debate about "how many" is frequently responded to with a vague "it depends", and factors such as data quality, scope and nature of the topic will affect the size needed.

In grounded theory and theoretical sampling, it is recommended that data is collected until saturation is achieved (DiCicco-Bloom and Crabtree 2006; Corbin and Anselm 2012). Saturation is simply the state of no new data emerging (Corbin and Anselm 2012), and some argue that grounded theory studies should include between 20 and 30 interviews (Marshall et al. 2013). Due to the time and resource restrictions of a Master's thesis, Baker and Edwards (Baker and Edwards 2012) claim that aiming at a sample of twelve is sufficient, and this is in fact backed up by Marshall et al. (2013). In their study, 73% of all codes were identified within the first six interviews, and 92% within the first twelve interviews (Marshall et al. 2013). The final codes were identified within the 30 first interviews after which no new codes emerged. In other words, some saturation can be reached already after six interviews, and a sufficient saturation for a Master's thesis in twelve interviews. Thus, the minimum required sample size for this thesis was six, with the preferable sample size being twelve.

3.3 Interview Preparation

An interview guide was developed to allow exploration of key issues without prejudice (Irvine et al. 2012). The interview guide was constructed around a set of themes, with respective sets of open ended questions and probes prepared beforehand, letting related questions emerge through dialogue (DiCicco-Bloom and Crabtree 2006; Kvale, S. & Brinkmann 2007; Myers and Newman 2007). Due to the iterative nature of the grounded theory approach, the interview guide was altered during the process, resulting in four different guides suiting the four types of experts emerging through the process (Appendix A). The design of the guide was based on Myers and Newman's (2007) recommendations. According to their research, it is beneficial to include three parts in an interview guide. First, the opening – introducing yourself, the purpose of the interview and other relevant aspects such as confidentiality, and asking permission to

record the conversation. Second, key questions with prompts, and third, the close – asking permission to follow up if needed, snowballing if needed and discussing what happens next.

Regarding the key questions, four main themes were developed: (1) Digitalization’s effect on customer acquisition, (2) The marketing process, (3) Technology, and (4) Managerial challenges. The construction and wording of the guide aimed to create open ended questions that could not be answered with a simple yes or no, but required longer more developed answers (Collis and Hussey 2014). The questions were considered to be neutral, avoiding evocative or judgmental wording and each key question focused on one theme and used clear wording to avoid the respondent being overwhelmed (Turner 2010). Possible prompts were prepared for each question in order to dive deeper into the experience of the interview subject (Collis and Hussey 2014). A table based on Collis and Hussey’s work on different types of probes is shown in Table 3. These provided inspiration for the guide and especially for improvisation during the interview sessions when new themes and questions arose.

Table 3 Probes for the interview situation (Collis and Hussey 2014)

<i>Characteristic</i>	<i>Probe</i>
<i>Clarity</i>	Can you give me an example of that? What do you mean? Can you explain that again?
<i>Relevance</i>	How do you think that relates to the issue? Can you explain how these factors influence each other?
<i>Depth</i>	Can you explain that in more detail? Can you give me examples?
<i>Dimension</i>	Is it possible to look at this another way? Do you think that is a commonly held opinion?
<i>Significance</i>	How much does this affect you? What do you think is the most important? Would you change your opinion if X was to happen?
<i>Comparison</i>	Can you give me an example where this did not happen? Can you give me an example of a different situation? In what way does your opinion differ from the views of other people?
<i>Bias</i>	Why do you hold this opinion? What might happen that could change your opinion?

A pilot interview was carried out as a feedback round for the interview preparations (Kvale 2007b; Turner 2010). During the pilot, a lack of consensus around key terminology was identified, suggesting that supporting terminology could be used in order to avoid misunderstanding. Also, the question whether this study concerned a B2B or B2C market arose, leading to including a probe addressing the subject in the interview guide.

The pilot interview supported the decision not to take notes during the interviews, avoiding interference with the flow of the subject’s answer. The use of double devices for recording was tested and found to be effective, minimizing the risk of losing data due to technical issues. Further, this allows the researcher to let the devices lay untouched throughout the interview, thus encouraging the interview subject to behave more naturally. A sketching exercise was included, where the subject was asked to draw a sales funnel to illustrate their view of customer acquisition. The exercise proved to be harder than anticipated, which led to changing the instructions, allowing the subject to visualize the process in whatever way preferred, if at all. Lastly, notes were taken directly after the interview in order to capture themes and issues that had been emphasized, as well as underlying themes that could be noted. This interview process was used throughout the duration of this study.

4 Data

In the data collection phase, twelve expert interviews were conducted over a three-month period ranging from April to June 2017. The sample consisted of senior informants with a high level of expertise. The informants held one of four perspectives on lead generation and nurturing: an in-house perspective, agency perspective, consultancy perspective or marketing technology perspective. All interviews were held in Stockholm, Sweden. The mean length of an interview was 61 minutes, with a total of 734 minutes of recorded data. All interviews were fully transcribed and resulted in 131 pages which were coded and analyzed. Quotes were translated from Swedish to English. A summary of the interview subjects is shown in Table 4.

Table 4 A summary of the interview sample

<i>Interviewees</i>	<i>Perspective</i>	<i>Type of Organization</i>	<i>Job Title</i>	<i>Length</i>
<i>Interviewee 1</i>	In-house	Global Corporation	Lead Online Sales Sweden	55 min
<i>Interviewee 2</i>	In-house	Marketing Technology	Sales Development Manager	44 min
<i>Interviewee 3</i>	In-house	Marketing Technology	Head of Growth	61 min
<i>Interviewee 4</i>	Agency	Digital Agency	Co-Founder, CEO	68 min
<i>Interviewee 5</i>	In-house	Global Corporation	Head of Marketing	53 min
<i>Interviewee 6</i>	Consultancy	Management Consultancy	Head of CRM	63 min
<i>Interviewee 7</i>	Agency	Digital Inbound Agency	CEO	58 min
<i>Interviewee 8</i>	Technology	Marketing Technology	Co-Founder, Product Manager	78 min
<i>Interviewee 9</i>	Technology	Marketing Technology	Enterprise Sales Manager	53 min
<i>Interviewee 10</i>	In-house	Global Corporation	Marketing Manager	64 min
<i>Interviewee 11</i>	Consultancy	Digital Consultancy	CEO	66 min
<i>Interviewee 12</i>	Agency	Digital Agency	Operations Director	71 min

4.1 Thematic Analysis Directed by the Grounded-Theory Approach

In alignment with grounded theory, the growing data set was analyzed in an iterative manner (Collis and Hussey 2014). Memos were made right after the interviews in order to capture underlying themes, moods and other aspects that might affect the data and was not captured solely in the words spoken (Collis and Hussey 2014). The interviews were fully transcribed enabling an established inductive process of thematic analysis directed by the grounded-theory approach (Corbin and Strauss 2008; Guest et al. 2012).

The process of coding the transcripts was carried out in three steps: open, axial and selective coding, followed by data visualization (Figure 6). Starting with open coding, the data was broken down, examined, compared, conceptualized and categorized. In the second step, axial coding, the data was put back together in new ways. Connections were made between categories, codes were linked to contexts, consequences, patterns of interaction and causes. In the third stage, selective coding, core categories were selected and relationships validated and further refined. The memos from each interview were used as supportive material, and the insights from the continuous coding were used as the basis for the development of the sample and data collected. An important note to make is that grounded theory requires the creation of code based on interpretation of data, in contrast to the positivist paradigm where coding is based on logically deduced, predetermined codes into which data are placed. Further, the relationship between categories and sub-categories that are discovered should result from the data or deductive reasoning that is verified within the data. Following the data iteration, the results were displayed in a suitable diagram format. (Collis and Hussey 2014)

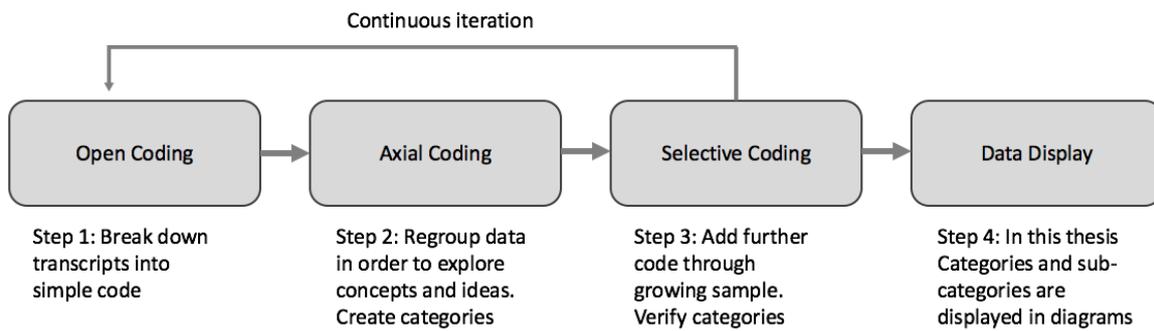


Figure 6 The Coding process used in this thesis

Qualitative data analysis software was used to facilitate the data analysis. ATLAS.ti was used to organize data, code and explore relationships and categories. In total two themes, stemming from the research question, were used: the lead generation and nurturing process, and challenges in lead generation and nurturing. Four categories were identified under the theme of lead generation and nurturing: Content, Website, Marketing Automation and Online Advertisement, and two categories were identified under the theme of challenges in lead generation and nurturing: People and Processes. Furthermore, three sub-categories were identified under People: Human Factor, Supply and Demand, and In-house and Outsourcing, and two sub-categories were identified under Processes: Maturity and Alignment. Figure 7 illustrates the relationship between data, code, sub-category, category and theme, and provides two examples of the process.

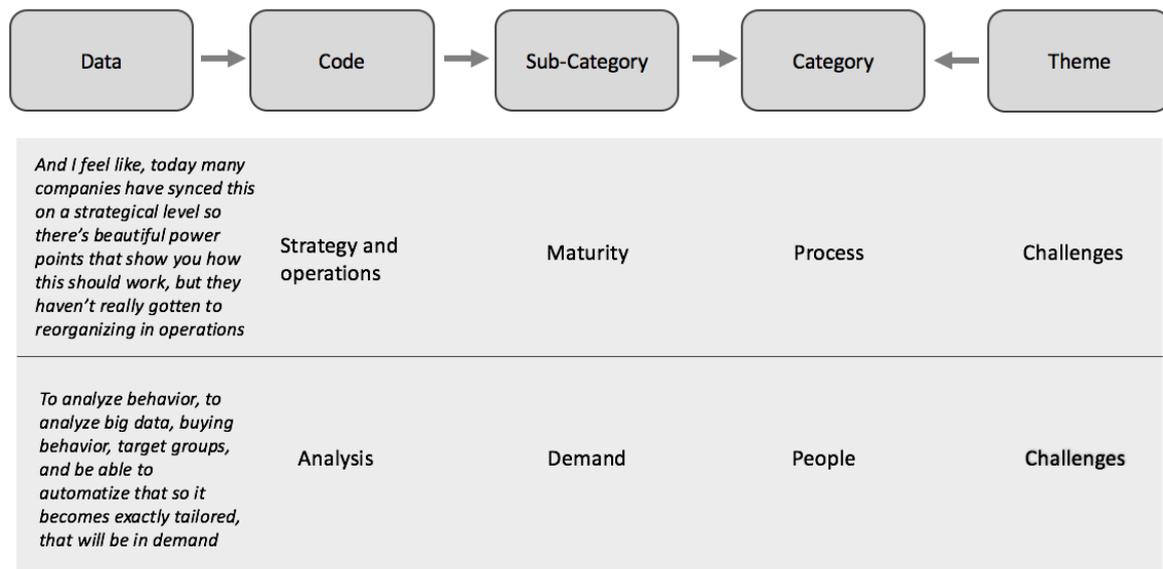


Figure 7 An illustration of the coding process including two examples

4.2 Trustworthiness of Results

While measures of reliability and validity are relevant for quantitative studies, qualitative research is evaluated by its trustworthiness (Lincoln and Guba 1985; Miles and Huberman 1994). Trustworthiness consists of four different constructs:

1. Credibility
2. Transferability
3. Dependability
4. Confirmability

In this thesis, credibility, which is a measure of whether the subject of the inquiry was correctly identified and described (Lincoln and Guba 1985; Collis and Hussey 2014), was improved through triangulation of data sources (Patton 1999). The extent to which the method and analysis robustly addresses the research question is supported by the sampling of senior informants with a high level of expertise from four different perspectives (in-house, agency, consultant, marketing technology) (Miles et al. 2014). This approach allows for maximum variation within the sample (Miles and Huberman 1994), and exposes the research to a greater breadth of contextual insight without losing focus on the central research question (Pettigrew 1985). Transferability, which is a measure of the applicability of the findings to other situations that are sufficiently similar to permit generalization (Lincoln and Guba 1985; Collis and Hussey 2014), is arguably high due to the framework developed being based on, and proposed for, marketing managers over industry borders and company sizes. Dependability, which is a measure of how systematic, rigorous and well documented the research processes are (Lincoln and Guba 1985; Collis and Hussey 2014), has been improved by thoroughly describing the methods and processes used throughout the project. Lastly, confirmability, which is a measure of how well the findings are assessed to flow from the data (Lincoln and Guba 1985; Collis and Hussey 2014), has been improved through discussing the analysis, results, and the developed framework rigorously.

5 Findings

The findings are divided into two parts, presenting the identified categories relating to the first two areas of the research question. The first part discusses the categories related to the theme of lead generation and nurturing, providing a foundation for the second part, which presents the categories related to the theme of challenges companies face when they attempt lead generation and nurturing.

5.1 The Categories of Lead Generation and Nurturing

Analysis based on the qualitative data gathered for this thesis, resulted in four distinct categories of lead generation and nurturing. These categories are: Website, Content, Marketing Automation, and Online Advertisement, as shown in Figure 8. These categories, as well as the technical challenges relating to them, are introduced in the following sections. Furthermore, illustrations of the lead generation and nurturing process are presented.

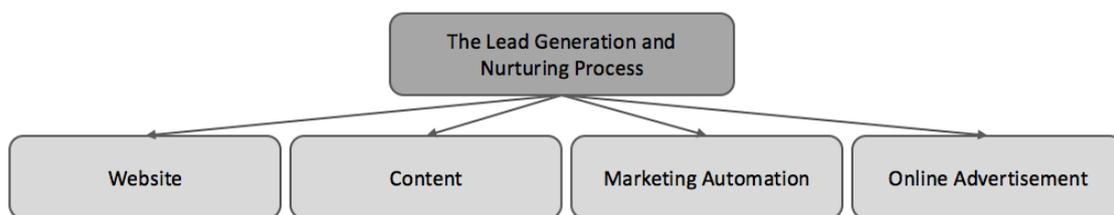


Figure 8 The four categories identified in the lead generation and nurturing process

5.1.1 Website

The website was found to be a central part of lead generation and nurturing. Establishing a specific purpose of the website was argued to be fundamental, although something many companies overlook. For example, the purpose of a website could be to book demos. However, many companies seem to have poor insight into the importance of the website in the lead generation and nurturing process. Thus, many fail to use the site efficiently. As Interviewee 9 put it:

*Not many companies actively think lead generation when they communicate, or build their website, but more... brand and product understanding.
(Interviewee 9, Marketing Technology)*

In order to make use of a website, it needs visitors. When discussing ways to drive traffic, various channels like search engines, social media platforms, online advertisement and email were brought up. Offline channels such as fairs, events and referrals were also mentioned. Several methods to identify anonymous traffic was discussed, including cookies, downloads and sign-ins. Cookies were described to enable a better user experience and gather accurate, but anonymous, information about a website's visitors. Downloadable material or subscription based newsletters were other common forms of identification, where visitors provide their email address, and possibly other information, as a type of payment for content. Sign-ins to communities or programs were often argued to be a superior form of identification, enabling the widest and most accurate form of data collection on the lead. Additionally, it was emphasized that when leads are identified through email, they can be entered in marketing automation programs, increasing the probability for conversion.

The structure and content of the website were argued to be the back bone of both search engine optimization and user experience. Both strategic and practical knowledge about SEO was seen as imperative. One of the in-house interviewees for example, explained that not only does their explicit SEO team hold responsibility for optimizing the website, but also the content team is educated in SEO.

Furthermore, an analytical approach to website development and optimization was emphasized. Continuous A/B testing, tracking and analyzing relevant KPI:s in order to improve and adapt the website was recommended. Interviewee 3 shed light on their focus, also mentioning the importance of the value proposition and effective communication:

...and on the site, they usually, or what we do a lot is to track how people behave when they come onto the site, what they think is interesting, what they interact with, and try to increase the conversion rate so they actually book a demo as often as possible. So, there we work with CRO [Conversion Rate Optimization] and try to find a... to manage describing our product in the simplest way possible so they instantly understand the value. (Interviewee 3, In-house)

Looking at more sophisticated websites, modularized sites were seen as something trending, where websites automatically are assembled in an individually tailored manner, based on data held about the visitor. Modularization was discussed on a spectrum, where a common level of sophistication was exemplified by displaying different products to different visitors, based on their previous behavior. Sophisticated modularization was seen as a promising tool for micro targeting and personalized communication.

AI was discussed as a customer centric approach to improve the visitor's experience on the website. Chatbots were described as AI based robots, that much like humans, can understand and answer written questions. However, a large amount of data and training is required for a bot to work efficiently, and is at the moment mostly recommended as a supplement to the frequently asked questions page on a website. The market for chatbots was expected to experience a drastic increase in demand as success-cases grow in number.

5.1.2 Content

Significant investment in content marketing was associated with digital maturity and an understanding of customer power. Examples of positive results through content marketing were many, and the basic understanding of the customer journey and customer needs were central. For instance, Interviewee 5 had seen a clear improvement of website traffic through blog content of high quality and relevance:

When we started our blog, we had 200-300 organic visitors each month. So low. Now we're at 6000. That's 6000 unique visitors that come through Google. Because we write about relevant stuff. And on top of that we get direct traffic from LinkedIn and social channels and referrals so... it's possible to use a blog a lot. (Interviewee 5, In-house)

Creating content was experienced as a struggle for many. Among the interviewees, common ways of creating content included internal production, using influencers to write content, and outsourcing to different agencies and content services. Another fairly common strategy was

letting the marketing department work as a project leader and outsource the writing of blog articles inside the organization or outside the organization. Creative ways of sourcing content were also promoted. As Interviewee 5 put it:

The key [to customer acquisition] is to have good content, and the key to good content is to write about something that people are interested in. And the key to that is to actually know something. And the key to knowing something is to talk to experts. And that's why the marketing department can't do everything. Because we don't know anything. [...] But you can be clever too... we were at a fair now in Paris, and there we had this big wall, where you could like, vote for your favorite service with a sticker, umh, and then we counted all the stickers and produced a study out of that, showcasing the opinion of 500 European experts in the field. (Interviewee 5, In-house)

5.1.3 Marketing Automation

Marketing automation systems were described to exist on a spectrum from simple email automation to enterprise solutions encompassing a wide range of digital channels. Even though email automation was appreciated for its simplicity and cost-effectiveness, it was experienced as a rather outdated tactic. Growing in popularity over the past decade, the novelty of it, and subsequently the efficiency, was viewed as decreasing. Email automation was argued to create full inboxes of low quality emails, and be a typical example of marketers focusing on technology, ignoring the quality of the message. In the other end of the spectrum, the possibility to integrate a range of different data sources was seen as the main advantage of enterprise level MA products. Managing a set of chosen channels from one primary platform was argued to improve the accuracy of analysis, getting closer to a single customer view. As Interviewee 6 described it:

There's specific tools for different parts of the customer journey, like these tools are best for raising awareness, and these tools are best for building retention. But in order to get this to like, sync, to get this uniform picture of all interactions, umh, especially if you're a large organization [...] you need to look at the enterprise solutions, and I'd say the ones most people talk about are like... Marketo, Pardot, Salesforce, Oracle, Eloqua... All those platforms have these kinds of capabilities, so you can work with social media, with your web, landing pages, email, event management and stuff like that. So, all those functionalities are there, but you still need to integrate the data sources. (Interviewee 6, Consultancy)

Depending on the MA system's level of sophistication, the integration possibilities as well as process complexity were seen as varying. The integration between MA systems and data sources was experienced as everything from sufficient to problematic or even frustrating. Manually exporting and importing data was a common example of shortcomings in the integration. Dealing with data from several sources in an MA system was also argued to, in some cases, lead to difficulties in data visualization due to restrictions in the system, which paradoxically makes it more difficult to conduct analysis.

Integration between an organization's MA and CRM system was widely recommended. This integration was argued to simplify workflows and alignment between marketing and sales. On the other hand, the integration was also recognized as an issue of cost, competence and time. This means that an integration might not always be feasible even though it would be preferable.

Furthermore, some systems simply will not integrate, and the ones that do often need technical skill for execution, that few companies have. Often times MA and CRM systems might integrate to some degree but not fully, making it difficult to successfully align the marketing and sales function. As Interviewee 5 exemplified:

Mm yeah, I wish sales could just go in and see exactly what this person has downloaded and exactly what that person has written... That's not what it's like today. Now they'd have to go into the marketing automation system, and now that's another system. You just can't have several systems that people need to log into. (Interviewee 5, In-house)

Furthermore, the user interface in many MA systems was argued to be inadequate. For example, a social media post created in an MA system might look different from the actual post when published, suggesting, that even the sophisticated MA systems are experienced as restricted when aiming for a single customer view. As Interviewee 10 explained:

There's a lot of talk about one uniform view and... I don't think we have one uniform view. So (laughs) but when it comes to email and behavior on our web, That's strong, but then to get the other channels integrated, there you still run into problems I think. And when you then talk about display, you get yet another dimension that is hard to fit into the puzzle. (Interviewee 10, In-house)

Lead scoring was seen as a very helpful way of organizing data. The management of data was argued to be the foundation of scoring, and thus, the software solutions and architecture of a company would greatly influence the sophistication of scoring. The threshold to developing an efficient scoring system was therefore seen as rather high, although the benefits of scoring, such as improved alignment between sales and marketing, were recognized. Interviewee 3 explained what behavior they track for their scoring system:

For example, this person has visited two pages on our site and viewed pricing. And then we can say that, 'kay, the probability of this person becoming a customer increases from 0 to 5, and after this person has, like, signed up and wants to book a meeting, then we add points to that prospect again. And based on this cookie we've put in, we can follow what they've done on the web, how many pages they've visited, and with the MA integrations, we can see if they have opened an email you sent, how many times they've read it, where they've done it and what action they took after that. (Interviewee 3, Marketing Technology)

5.1.4 Online Advertisement

Online advertisement was seen to incorporate both paid search advertisement and display advertisement. Search advertisement was described as a good complement to organic search results, and display ads were discussed as beneficial especially in branding and retargeting. In the case of lead generation and nurturing, branding was considered a top funnel activity, and retargeting a mid-to-bottom funnel activity, using cookies, to reach leads that have shown interest by exposing them to advertisement online.

Over all, Online Advertisement had a split appreciation among the interviewees. This presumably correlates with the interviewees' backgrounds, where some work solely with inbound strategy, preferring to drive content rather than advertisement, while others work with

a mix of inbound and outbound strategies, seeing online advertisement as a natural part of the marketing mix. Furthermore, the quality of online advertisement was of wide interest. The perception was that, used poorly, online advertisement illustrates the weakness of outbound marketing, interrupting consumers with unwanted advertisement. While well targeted, highly specified online advertisement, can be a vast benefit, for the customer as well as the company, and thus, a significant part of a company's marketing mix.

Online advertisement efficiency was argued to be sensitive to the market or product in question. Selling, for instance, a simple product to a B2C market, was seen as a standard case for display advertisement, whereas a complex product in a B2B market might require a more complex marketing approach. Furthermore, it was argued that online advertisement has become a type of go-to marketing for companies, especially common among companies with a low maturity level. Arguably, the fondness of online advertisement stems from the similarities between online and offline advertisement, making it less foreign for managers testing the digital waters. In other words, companies were argued to be prone to use the same type of marketing they always have, simply moving to online channels. Interviewee 12 contemplated the misrepresentation of online advertisement as follows:

I think many were damaged by how easy it was 10 years ago, then almost anyone could just like, pull together a site and get a bit of traffic and buy a bit of ads on google, you know, because the competition wasn't that bad, so it worked. You could make a business out of that. But the ones starting a business today, how are they supposed to make their site visible, without pretty big investments, or a really unique idea. But how many companies have that, right? But it's, you know, many try to do what was done 10 years ago, but don't have respect for how difficult it is today. (Interviewee 12, Agency)

5.1.5 Visualizations of the Lead Generation and Nurturing Process

The interviews included the task of drawing a customer acquisition process. The illustrations all fell into one of three frameworks, a funnel, a customer journey, or a cyclic process. While drawing, several experts talked about the concept of a customer journey or funnel, indifferent of what framework they were drawing, for example describing a customer journey while drawing a funnel. This implies that the line between the two concepts is blurred. The funnel, customer journey and cyclical process are exemplified in this section by presenting concepts drawn by three experts.

As seen in Figure 9, expert number 12 preferred a simple funnel approach. He argued that the funnel can have a varying amount of stages, but he personally felt simplicity was important. He argued that dynamic customer journey mapping is impossible, since there are as many actual customer journeys as there are customers. Thus, he preferred illustrating the process with a simple funnel consisting of Inspiration, Research and Conversion, arguing that these steps encompass every customer journey. On the sides of the funnel, the chosen channels can be added, as well as the actions taken in each channel. Associated KPI:s can then be added as well, in order to create a sufficient overview of a lead generation and nurturing plan.

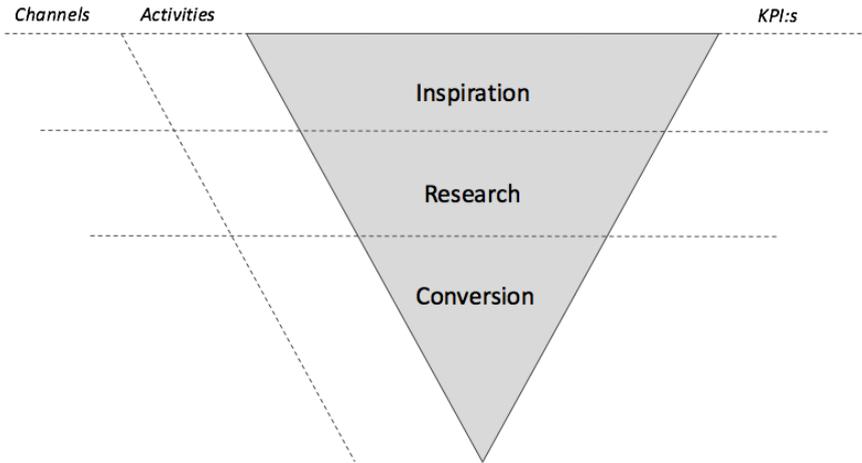


Figure 9 A funnel framework depicting a sketch drawn by Interviewee 12

Some interviewees preferred to work with a customer journey, drawing out touchpoints with associated actions. Interviewee 11, for example, drew a static customer journey from the perspective of a researching consumer, seen in Figure 10. She argued that this way of illustrating the lead generation and nurturing process provides a clear view of the purpose of, and relationship between, the different channels. The layout of the website, the packaging of the product, and the clear purpose of the website was emphasized.

In her illustration (Figure 10), the customer starts the journey by researching the product through a search engine such as Google, opening a few webpages and comparing them. Retargeting and re-engagement in this example is driven through social channels and marketing automation. In order to increase the likelihood of conversion on the website, the layout was argued to be essential. Furthermore, the offering and the price were argued to benefit from being clear and easy to grasp. These aspects could be improved through continuous iteration with the help of heat maps, click maps and A/B tests.

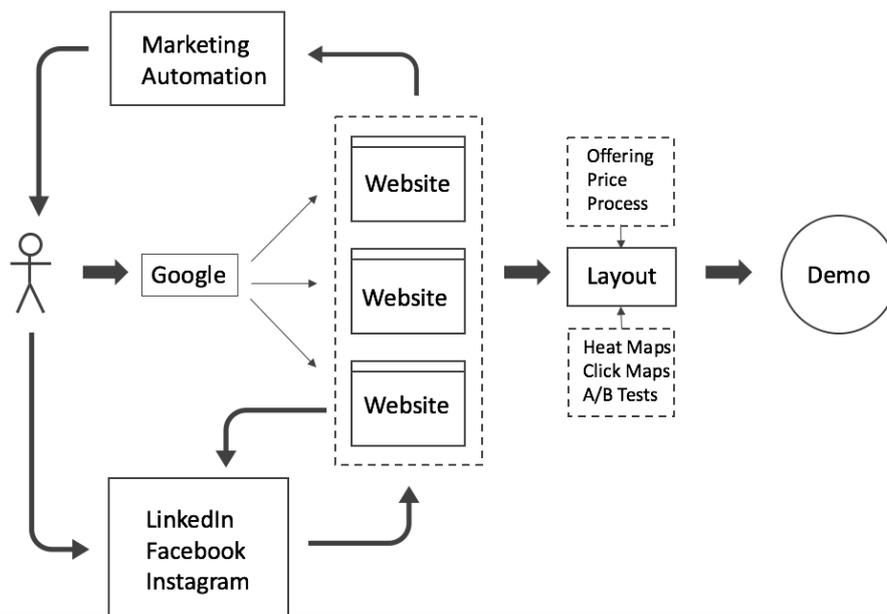


Figure 10 A Customer Journey depicted of a sketch drawn by Interviewee 11

Interviewee 4, on the other hand, chose to draw a cyclic process. In Figure 11, the lead, identified or not, enters a cycle of marketing communication, where different channels and methods are used to convey a suitable message in every stage of the customer journey. Mixing online and offline channels, such as marketing campaigns, marketing automation and events, the described goal was to become relevant enough for the lead to consider the product in question. Thus, when the need arises, they would be open for a meeting. When a meeting is booked, the prospect leaves the marketing cycle and enters the sales pipeline. However, supportive marketing communication was still argued to be part of the sales pipeline, even though the main responsibility of the lead is shifted to the sales function.

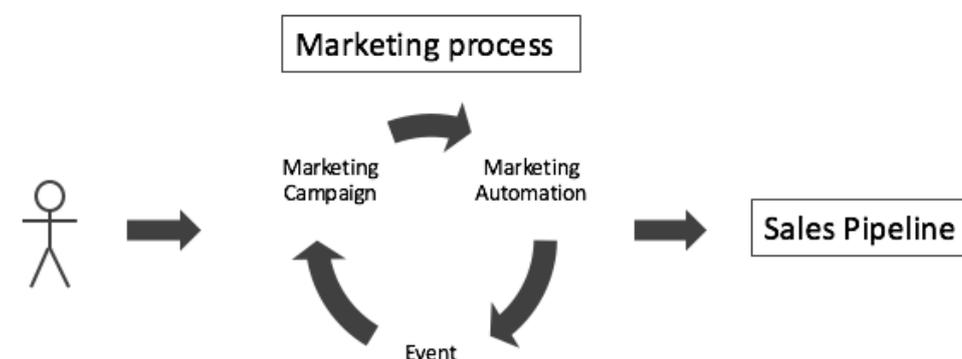


Figure 11 A Cyclical process depicted of a sketch drawn by Interviewee 4

These three drawings represent the different approaches the interviewees took in illustrating the lead generation and nurturing process. The remaining interview subjects drew variations of these frameworks. The choice of framework partially correlated with the subjects' perspective on lead generation and nurturing. The majority of in-house marketers depicted a rather specific customer journey, whereas a more flexible funnel or cyclical framework was preferred by agencies and consultancies, arguably opting for a model easily tailored for different clients. All in all, the customer journey and the funnel were the most popular frameworks to draw, with an equal number of experts opting for each.

5.2 Managerial Challenges

Turning to the second theme in the research question: the managerial challenges faced in lead generation and nurturing, the data suggests that these are in fact the most common hindrance for the development of an efficient lead generation and nurturing process. As seen in Figure 12, the analysis identified two main categories of managerial challenges: People and Processes. The category of Processes was divided into two sub-categories, Maturity and Alignment. The category of People was divided into three sub-categories, the Human Factor, Supply and Demand, as well as In-house and Outsourcing.

Furthermore, analysis of the data suggests a relationship between the identified categories and the subject of change management. Change management is a field of management that takes a holistic approach to transformation, using different models to break down and incorporate all

relevant parts of an organization in the process (Mento et al. 2002). Looking at recognized change management frameworks, the result of this data analysis bears resemblance to Leavitt's diamond model (Leavitt and Bahrami 1988). The diamond model is a framework describing an organization to consist of four interrelated parts: Tasks, Structure, Technology, and Individuals. Leavitt argues that once one of the four areas experiences change, it will affect the other areas as well, leading to change in the whole organization (Leavitt and Bahrami 1988; Wigand 2007). In this section, the categories and sub-categories identified in the data analysis are introduced. Further discussion about the role of change management is introduced in the Discussion section.

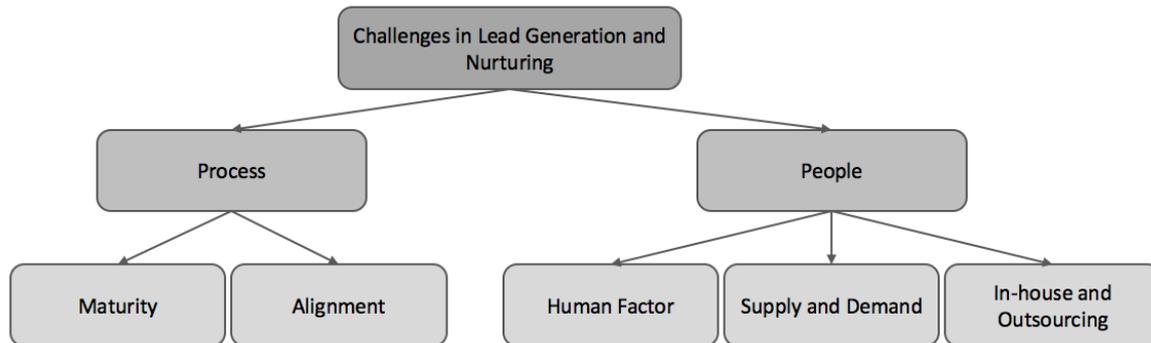


Figure 12 The two categories and five sub-categories identified as challenges in lead generation and nurturing

5.2.1 Process

Analysis of the data suggests that organizations seem to use IT-investment as a quick fix, without considering supporting processes such as creation of content or development of shared definitions. Furthermore, the focus on technology as the solution seems to pull the attention from the core issue of marketing, namely the message. Interviewees 6 and 5 exemplified the situation as follows:

One problem I've noticed, is that people buy technology or IT-support of different sorts, that they think will solve all problems, umh, they might have been contacted by a sales person, or several, that have sold them a product and then they have implemented it and then they stand there and just like, why doesn't anything work? And then they haven't... partly maybe they don't have a business strategy that docks with like... this system support, so you don't have any processes to go with it, and you have done a bad investment. Or maybe a good investment but you don't know how to use it. And I notice that companies are like, not that strategic, or goal oriented as they say they are. But they... and they lack the processes to work with the technology in a good way you know. (Interviewee 6, Consultancy)

Now it's very... like it's a really big trend in society as a whole, I think, that just having the tool, like... And you buy that, and problem solved. But then... it doesn't help the execution you know. Bad communication is still bad communication [...] It might be that you like, forget the core, how I see it, in marketing at least, the core of marketing is good communication. And a good message. And that's pretty easy to forget, because you think the whole solution lies in the technology. (Interviewee 5, In-house)

Digitalization was seen as a game changer in lead generation and nurturing, although the general understanding of its processes across most industries was seen as poor. Many referred to a widespread confusion about how to improve a lead generation and nurturing process. The foundational and organizational processes as well as underlying leadership was argued to largely be ignored, even though that would often need to be untangled to begin with.

We've got such a case now, where we initially were supposed to look at like... ways to develop their lead management process, but it's becoming more and more of a case of leadership now... (Interviewee 6, Consultancy)

On the other hand, even though technology often was referred to as a quick fix, it was also pointed out that one can meet resistance when initiating an IT investment. This would often be related to the challenges of proving the profitability of such an investment. As expert number 6 exemplified, you cannot measure that, for example, in a certain number of months, the investment of an MA and CRM integration investment would have paid itself off. Simply because the technology is so interrelated with, and dependent on, the foundational lead generation and nurturing processes in the organization.

Maturity

Maturity, or rather the lack of it, was seen as a wide-spread problem across almost all industries. A gap between the technical possibilities and the actual level companies are working on today was noted, relating to the failing of supportive processes behind the technology. Several of the interviewees experienced that very few companies, for example, have defined a customer persona. They had the impression of data driven lead generation and nurturing being a rather rare sight, with one expert estimating the percentage of companies that have a fully or partly automated process to be between two and five percent. Furthermore, organizational initiatives were seen as often being simple and specific instead of holistic, and tactical instead of strategic.

Looking at maturity from another angle, some experts held the view that operationalization would be a bigger problem than strategy. In the case of a somewhat more mature company, it was argued that the management team might have developed a fully functioning strategy for lead generation and nurturing, however, proper time and resources would seldom be put in place for the actual implementation to be successful. As one expert put it:

And I feel like, today many companies have synced this on a strategical level so there's beautiful power points that show you how this should work, but they haven't really gotten to reorganizing in operations. (Interviewee 10, In-house)

Yet another angle of maturity was argued to be that of data management. Having a poor understanding of MA systems and employees that lack motivation to develop that understanding, was seen to quite systematically lead to poor results. In this situation, it was argued, that many blame the technology, stating for example that a certain marketing automation program they use is bad or that the integration they want does not work. Several of the interviewees, including the ones working with development and sales of marketing technology, thought that it was fair to say the systems have flaws. However, they also argued that in 9 cases out of 10, it is the poor use of the system that is causing problems, not the system

itself. The neglecting of supporting processes was therefore argued to be a root cause of many problems that organizations face in lead generation and nurturing.

Alignment

The notion of a power shift from seller to buyer was held by all experts. Data driven analysis was seen as fundamental for achieving a customer centric organization, and departmental alignment as a foundational requirement on the organizational level. As Interviewee 10 put it:

I'd say that this [customers becoming digital] doesn't only affect how marketing needs to restructure, but how marketing, sales and production need to come together. So, it sets entirely new demands on routines and processes between these departments. (Interviewee 10, In-house)

The most common example of ways to align marketing and sales that was brought up, was the collaboration on defining lead generation and nurturing stages. It was argued that the digitalization of marketing and sales has disrupted the structure and purpose of the departments, enabling many different setups and divisions of responsibility between them. Furthermore, it was argued that indifferent of what the organization looks like, it would be beneficial to create an alignment based on a clear definition of lead stages and the customer journey. By doing this, assigning responsibility for actions in different stages and channels becomes easier, and grey zones can be minimized.

5.2.2 People

The second category, People, contains the sub-categories Human Factor, Supply and Demand, and In-house and Outsourcing. These are three key issues in executing lead generation and nurturing, and were seen as highly relevant by the informants.

Human Factor

The sup-category Human Factor incorporates issues such as resistance to change, ignorance and lack of motivation. In many interviews, these challenges were brought up only after careful probing, suggesting that they are not a common focus in lead generation and nurturing. However, when the experts got to discussing the subject, they showed a clear view of human aspects being a core challenge in marketing management.

Some experts experienced a wide-spread poor understanding of technology among top management. They argued that these companies under-invest in technology as well as in people, due to ignorance. With this setup, marketers were argued to be left with a growing quantity of tasks but without sufficient resources to manage the workload. Being in a negative spiral like this, was seen not only as making the working climate harsh for the marketers onboard, but also problematizing recruitment of key competence due to the unattractive working climate. Keeping in mind that digital marketers of today need to be extremely adaptable to change, some employees that are accustomed to an "old-school" marketing paradigm, were argued to have a hard time finding the motivation or drive to keep up. This in turn, was seen to result in severe distress for the large part of marketers not identifying as technically competent. On the other hand, ignorance among top management was argued to keep companies from developing their digital competence, exemplified by Interviewee 7 as follows:

People are so scared of exposing their weaknesses. It's human. And then it's easy to ward it off [digital marketing], [And say that] we do as we've always done, and it is so expensive, do we need someone to help us with that? Ugh. (Interviewee 7, Agency)

Cowardliness and laziness were also brought up as human factors that affect results. For instance, running A/B tests was regarded as fundamental for efficient lead generation and nurturing, however, it was also seen as a poorly utilized method. Interviewee 9 put it as follows when talking about MA systems:

I think they're cowards often, and don't jump at the opportunity, testing... but, I see it in other countries and other parts of the world, they drive in another way, while here, well here we like, alright we try this, and then you do it halfheartedly and then it doesn't result in anything, and then you think like nah this doesn't work for us. (Interviewee 9, Marketing Technology)

Supply and demand

The sub-category Supply and Demand refers to competence issues in the field. Data analysis was identified as a central competence, and it was argued that there generally is a lack of time and resources for data analysis, even though the demand for it is significant. Furthermore, the composition, background and experience of an analytics team, was argued to have great impact on its efficiency. For example, including people with expertise in different areas of the industry, enables the linking of data analysis to actual industry insight. Interviewee 1 exemplified like this:

I was in the UK yesterday, to meet the team there and see how they work, and one thing that hit me was that they have a bigger... a team of analysts that appear to work much closer together. And it consists of people that know the business. (Interviewee 1, In-house)

Furthermore, it was argued that marketing has been dependent on the IT department, but that the marketing function now is taking a hybrid form, creating a new demand of marketers. This was exemplified by engineers and programmers being encouraged to learn marketing, and traditional marketers being encouraged to develop relevant IT-skills. These hybrid profiles were by many experts argued to often be young people that are fast learners and have genuine interest in technology. However, other experts argued for low correlation between age and technical skill, instead emphasizing the correlation between interest and technical skill, arguing that being a millennial does not magically make you a digital marketer. Furthermore, journalists were observed to move over to content creation in marketing purposes, and many new roles, such as chief blog strategist and marketing scientist were speculated to increase in number.

To analyze behavior, to analyze big data, buying behavior, target groups, and be able to automatize that so it becomes perfectly tailored, that will be in demand. (Interviewee 7, Agency)

Several experts were of the opinion that organizations generally are rather oblivious to both the need for certain competence and the lack thereof in their company. The general development of marketing software was argued to move towards an intuitive user interface, decreasing the technical demands on the personnel. However, a fully intuitive user interface was seen to be

several years in the future, and the demand on marketers today was argued to include technical skill and coding. Interviewee 6 shared his view on the matter:

Because now if you look at traditional marketing departments, they start looking at a transformation from analog to digital, but they don't do any competence inventory. They buy an MA system and integrate that with the CRM system and some other stuff, but to like, work with this you need another competence, and today many of the solutions on the market... the ones that are good... they have a high technical threshold. You need to know SQL for example, you need to know how to code, to start a trigger for example, and that's knowledge a common marketer does not have. (Interviewee 6, Consultancy)

In-house and Outsourcing

The third sub-category, In-house and Outsourcing, included the issue of creating an efficient in-house team due to the technological demand development being fast paced. Interviewee 10 put it like this:

I think it will take a while to understand how a team should be built. It's a trial and error phase where you need to test your way forward. We're looking at this here, now umh, struggling with it, but I still believe that in a couple of years a lot will have happened. (Interviewee 10, In-house)

Several experts emphasized that the need for an in-house team, and especially the extent of that team, is related to the role of marketing in the organization. It was pointed out that the issue of digital marketing being a core competence or not, often is related to the industry the company operates in. Typical examples of this was digital marketing being a core competence for e-commerce companies and not a core competence for traditional industries such as banking and healthcare. The general argument was that the more core the marketing function is, the larger the in-house department should be. All four groups of experts (agencies, consultancies, technology providers and in-house managers), experienced that a fully internal team would be ideal in theory. In practice, however, it was argued to be close to impossible to maintain an in-house team with sufficient expertise in all fundamental areas, and keep it economically viable. The following quote from Interviewee 3 provides an example of a situation where an in-house solution was beneficial:

For us a key function is paid advertisement because the majority of our business comes in that way. Earlier when I worked as a consultant for this firm, I had... I could put maybe 5% of my time on this. And the whole business builds on driving signups, leads, that become customers. Now that I'm here in-house, I can put all my time on it. (Interviewee 3, In-house)

Furthermore, it was noted that a trend towards rentable marketing departments is emerging. The concept was described as part of an emerging subscription economy, where consultancies or agencies have the possibility to provide a whole marketing department, big or small, instead of working alongside an in-house team of the customer.

Table 5 summarizes the argued pros and cons for developing an in-house department or outsourcing everything from small functions to the whole department. Something that was emphasized in several interviews, however, was the importance of physically working together. To sit together at least once a month, preferably once a week or even all the time. This was seen

to improve communication and motivation, as well as providing the external part with insight into the industry, product, and the organization they consult.

Table 5 The pros and cons of in-house versus outsourcing reported in the interviews

	<i>In-house</i>	<i>Outsourcing</i>
<i>Pros</i>	Dedication (100% focus) Benefits of being on site Knowing the business Cheaper Better insight into company	Higher competence Larger number of bright people Wide knowledge pool Less risk (can fire) Consistent delivery quality
<i>Cons</i>	Same person will loose interest after a while More risk and responsibility Need for training	No insight into internal discussion Not understanding the business Cost

Lastly, it was noted that the higher the number of external partners, the more complicated the communication and coordination of the whole ensemble usually gets. More administrative work is seldom preferable, and thus, there might be a tendency to prefer partners that can offer all or several of the services needed in one package. However, for an agency or consultancy to be able to offer a wide range of services at high quality, the head count needs to be rather high. Network solutions on the agency side were discussed, but it was pointed out that from the customer’s perspective, the issue is not how the organizational setup looks, but that the administration is bearable and communication and delivery flows with ease.

6 Discussion

The findings are discussed in relation to the research question and the literature review. The framework for working with lead generation and nurturing is developed. The research question was the following:

What challenges do organizations face in lead generation and nurturing, and how could a framework look to support strategic decision making in this process?

This research question encompassed three areas of exploration, (1) Background: What is lead generation and nurturing? (2) Managerial Challenges, and (3) An implementable management tool: How could a framework look to help marketing managers in their strategic decision making?

6.1 The Categories of Lead Generation and Nurturing

Looking first at the question of what lead generation and nurturing is, the grounded theory analysis found that the process includes four categories; Website, Content, Marketing Automation and Online Advertisement. Comparing these four categories with the customer acquisition funnel developed by Järvinen and Taiminen (2015), the findings follow a similar logic, illustrated in Figure 13. In Järvinen and Taiminen's funnel (2015), Content is used for branding and driving traffic into the funnel, making Content an integral part of the process. Likewise, Online Advertisement is used for branding and driving traffic to the site as well as retargeting past visitors increasing conversion. It can be noted, however, that if the funnel is considered an inbound framework, Online Advertisement can be argued to fall outside that scope, since it commonly is referred to as an outbound activity.

In the first stage of the funnel, leads are identified through login, cookies or IP addresses, and are thus identified on the Website. This makes an organization's Website another integral part of the process. Further, in the second stage of the funnel, the leads are put in nurturing and scoring programs in order to qualify them and hand over to sales, which means Marketing Automation is a third integral part of the process. In other words, three out of the four categories match the first stages of the inbound customer acquisition funnel, and all four match the model when expanding it to both inbound and outbound activities.

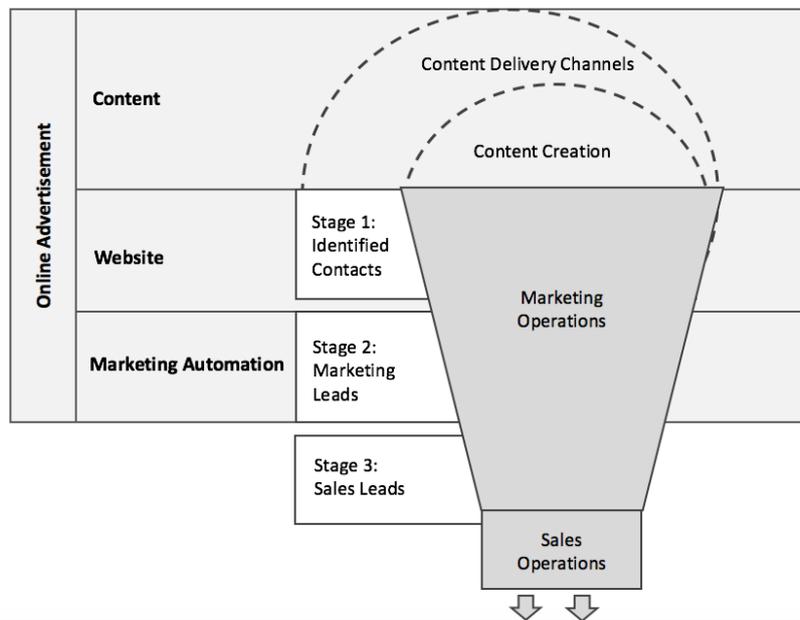


Figure 13 The four categories identified in the lead generation and nurturing process, depicted in relation to a simplified funnel framework

Content

The findings concerning Content support the importance referred to in the literature review (Järvinen and Taiminen 2015; Schulze 2016) as well as the shift in customer power it stems from (Gensler et al. 2013; Labrecque et al. 2013; Malthouse et al. 2013; Conversica 2015b). Concerning different types of content, the literature review mentions various types of material including blogs, eBooks, infographics, slideshows and interactive content, while the most common type of content brought up in the interviews was the blog. Blogging was seen as a surprisingly efficient form of content for lead generation and nurturing, suggesting that the medium still is somewhat misrepresented as a tool for private storytelling, whereas it actually can be a very effective tool for corporate lead generation and nurturing.

In alignment with the literature, many interviewees brought up challenges with the creation of content. Resources such as time and money were seen as problematic, and a common solution was to outsource either internally or externally. Similar to the research of Habibi et al. (2015), knowing what content to produce and why, was discussed in the light of analysis. Robust analysis was argued to be the foundation for arriving at the needed material, as well as continuous A/B testing in order to optimize content and distribution. Even though the importance of testing and analyzing seems to be clear, the reality was argued to hold a gap between what should be done and what actually is acted upon. The age old organizational challenges of communicational barriers (Quinn et al. 2013) can presumably be one reason for this gap prevailing. The understanding of analytics, or lack thereof, certainly is part of the problem, but even when an organization has reached a level of digital maturity, the human factors pointed out by the experts, such as lack of motivation or cowardliness, may still contribute to keeping employees from organizing their work in the analytical and iterative way that would serve the company best.

Furthermore, the findings support the notion that content marketing increasingly is used to engage buyers, educate, inform, entertain and guide them through their customer journey (Schulze 2016), and that the quality of the content therefore needs to be high. Further, digital

marketing and traditional marketing were viewed as two different competences that need to be aligned in order to create and distribute high quality content. A trend that many experts pointed out however, was that of digital marketers seeming to forget the core of marketing being the message, and they thereby lowering the quality of content by focusing on technology and quantity, rather than quality. Considering that the literature mainly focuses on a competence gap in big data analytics and data driven marketing (Halligan 2014), promoting the idea of digital marketing as critical, might encourage the neglect of traditional marketing.

Website

According to the interviews, the website is the center point of the customer's interaction with a company. The experts discussed the importance of having a clear purpose with a website, a clear layout and well curated content. SEO was described as an essential part of the marketing mix, emphasizing that everyone working with something interrelated with the website, should be familiar with the SEO principles. This is in line with the SEO thinking described in the literature review (Opreana and Vinerean 2015), supporting notion of SEO as a fundamental part of digital marketing.

Furthermore, it was noted that having an explicit strategy for the website or supporting channels was rare, and that companies seldom have the competence to create a well-structured website based on SEO principles. In the instance of strategy and competence being in place, human factors come into play. One explanation to why this type of work often is pushed aside, might be that the required competence is relatively high, but the tasks themselves are rather repetitive and manual. Thus, making it a low priority on a personal level for a competent, often senior employee, whereas a junior employee might lack the competence needed. In other words, it might be the case that nobody feels responsibility or motivation to carry out the work.

Marketing Automation

The interviews support the notion that marketing automation systems exist on a spectrum. There are simple marketing automation tools that primarily consist of email automation, and sophisticated, enterprise level MA programs, that manage to integrate a range of data sources, coming much closer to the single customer view discussed in the literature (Stone and Woodcock 2014; Schutz 2016). Email automation was argued to face declining effectiveness, and thus, there was a call for new methods, with a high interest in AI solutions and the potential thereof. On the enterprise level, even sophisticated MA system were seen as having restricted user interfaces, and a need for technical expertise that few marketing managers hold. The findings showed a gap between the level at which marketing automation is presented by thought leaders, and the level at which companies use the technology.

Online advertisement

The findings suggested a disparate view on the importance of online advertisement. Supposedly, the experts working with online advertisement found it highly important, and the experts working with inbound methods found it interchangeable with other channels and activities. In the LinkedIn study referred to in the literature review (Schulze 2016), paid advertisement was scoring rather low in the evaluation of distribution channels. However, that too, is an example of online advertisement being evaluated by a sample presumably preferring inbound methods.

Visualization

Visualizations based on both static and dynamic customer journeys were created in the interviews (Halvorsrud et al. 2016). The many different ways the customer journey and customer acquisition funnel were visualized, suggests that there is no right or wrong way to use the illustrations, as long as they aid the understanding of the situation. A tendency to opt for a funnel that incorporates all dynamic customer journeys was noted among agencies and consultancies, while in-house managers seemed to prefer to draw a static customer journey.

6.2 Challenges in Lead Generation and Nurturing

Looking at the managerial challenges in lead generation and nurturing, analysis of the data identified two categories and five sub-categories to be the main challenges in the field. These were found to reflect the issue of change management, and were seen as underlying challenges when attempting change in lead generation and nurturing. The first category, Processes, includes the sub-categories Maturity and Alignment. The noted lack of supporting processes being common, supports Quinn et al.'s (2013) view that implementation barriers in the digital era remains the same as always, moving old problems to a new setting. The reported low maturity level supports the existing research stating that alignment still is a challenge for many organizations (Malshe et al. 2016; Trailer et al. 2016). When working with alignment, the notion that the customer journey is a preferable point of design is supported by this thesis (Trailer et al. 2016).

The second category People, includes the sub-categories Human Factor, Supply and Demand, and In-house and Outsourcing. In the literature, research related to the Human Factor in lead generation and nurturing is rare. However, the examples provided by the interviewees, suggest that Human Factors in the field, such as fear and lack of motivation, are indeed common human factors that are not restricted to this field. Previous research makes a point of senior marketing managers, who have not grown up in a digital environment, often being ill-equipped to manage data driven marketing (Slater et al. 2010). This view was supported by a majority of the interviewed subjects, even though the opinion that competence is related to interest rather than age, also was voiced.

In the previous literature, a skill gap in the marketing industry was noted (Stone and Woodcock 2014; Möller and Parvinen 2015). This was in part supported, stating that it is a challenge to find good analytical talent, however, an optimistic view was held about the future, noticing a development where engineers move into marketing and marketers develop IT-skills. With these hybrid profiles, and an iterative mindset to developing team structure, a time horizon of a couple of years was seen to provide well rounded digital in-house team for companies that already are tackling the issue. Simultaneously, outsourcing both tactical and strategical activities to digital partners was a common approach to improve performance and reduce operational costs, in line with existing theory (Ghodeswar and Vaidyanathan 2008). According to Quinn et al. (2013) organizations on a low maturity level tend to either not adopt the latest approaches or outsource to digital partners, which is a view supported by the gathered data.

6.3 A Supportive Framework

Addressing the third part of the research question, a supportive framework is developed. Analysis of the data suggests that organizations tend to focus on technical challenges in lead generation and nurturing, although managerial challenges, in fact, were argued to be of greater significance. As mentioned earlier, the results of this study can be viewed through the lens of

change management, and bears resemblance to Leavitt's change management model (Leavitt and Bahrami 1988). According to Leavitt's diamond model, an organization consists of four interrelated areas: Tasks, Structure, Technology, and Individuals. When one of these areas is subjected to change, it will affect the other areas as well, leading to change in the whole organization. Drawing from this logic, Figure 14 was created. The framework consists of four parts, similar to Leavitt's model: Organization, Processes, Technology and Partners. In contrast to many frameworks associated with lead generation and nurturing, such as the customer journey and customer acquisition funnel, this framework emphasizes the managerial aspects of the marketing function. While technology is used as a quick fix in many companies today, this framework promotes a holistic approach to lead generation and nurturing. The framework promotes a mental model where managerial aspects are fundamental, and provides support for managers initiating and driving change.

The categories and sub-categories identified in the data analysis, are organized to suit the four focus areas of the framework, in order to provide an effective model for managers to use. The findings are organized into the framework as follows:

- Organization
 - o Alignment between departments, in-house competence inventory and development, fostering a culture that enhances efficiency and enables quality recruitment
- Process
 - o Supporting processes including defined goals and KPI:s, clarifying the target group and creating a persona, defining lead stages, visualizing the customer journey or marketing funnel, and creating high quality content
- Technology
 - o Technical aspects include purposeful optimization of the website, marketing automation and online advertisement. Tracking, analyzing and testing in an iterative loop. Integrations between platforms such as the MA and CRM system
- Partners
 - o Balancing operational quality and cost, outsourcing strategical and/or tactical tasks and functions. All four categories (Website, Content, Marketing Automation and Online Advertisement) identified in section 5.1 can be outsourced to different degrees. Focus on alignment and communication

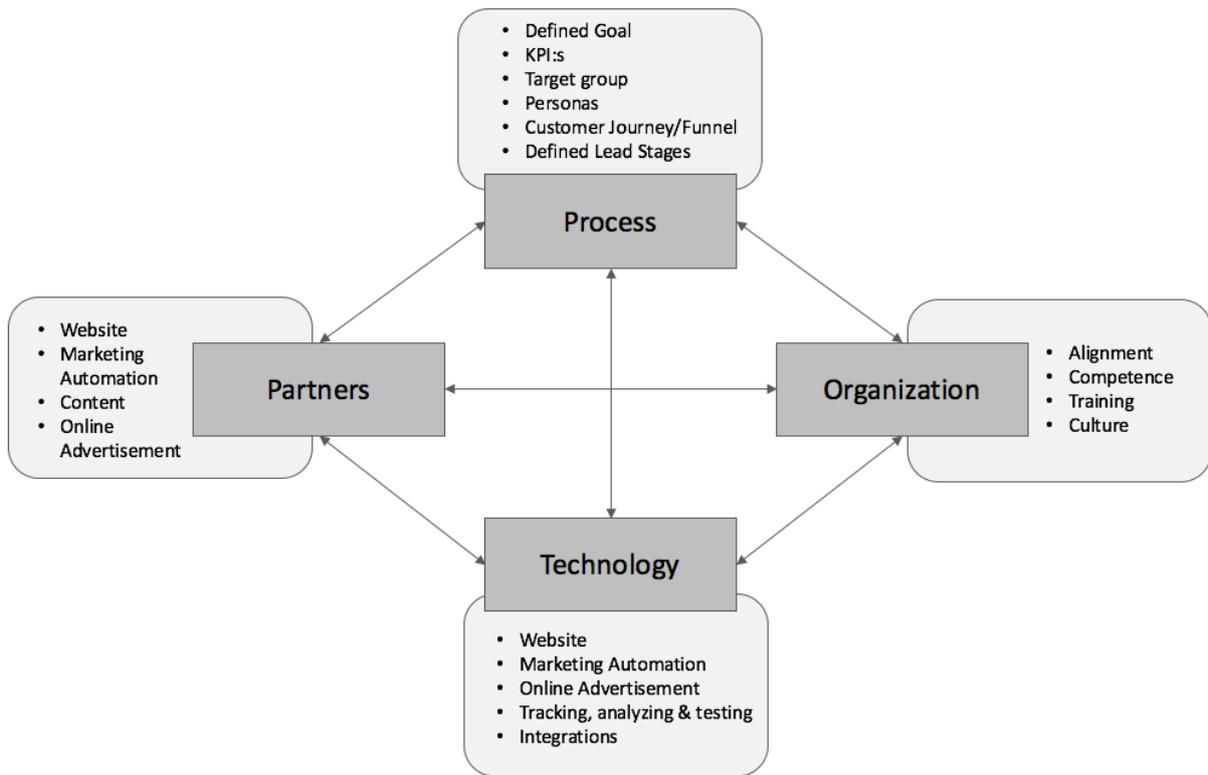


Figure 14 A supportive framework for executive managers, providing a holistic approach to change management

7 Conclusions

The *purpose* of this thesis was to explore the challenges marketing managers face in lead generation and nurturing. The *aim* was to propose a framework for best practices, designed to support managers in strategic decision-making processes. The research question was the following:

What challenges do organizations face in lead generation and nurturing, and how could a framework look to support strategic decision making in this process?

A summary of the answers to the research question, including the purpose and aim of this thesis, is presented in this section, as is suggestions for future research.

Lead Generation and Nurturing as a Process

Addressing the research question, an understanding of lead generation was first established. Twelve expert interviews were conducted and analyzed, identifying four categories: Content, Website, Marketing Automation and Online Advertisement. The first three categories, belong to an inbound paradigm, where high quality content is created in order to attract leads, the website used as the main place for conversion, and marketing automation nurtures leads increasing the conversion rate. The fourth category, Online Advertisement, belongs to an outbound paradigm, where search and display advertisement is used to attract interest as well as retargeting leads that already are identified.

Managerial Challenges with Lead Generation and Nurturing

Analysis of the qualitative data identified two categories of managerial challenges: People and Processes. The category People includes the three subcategories Human Factor, Supply and Demand, and In-house and Outsourcing. The category Processes include the two subcategories Maturity and Alignment. The managerial challenges were found to address the field of change management, introducing a holistic view to the challenges with organizational change. The managerial challenges were found to be of great significance.

A supportive Framework

Based on the data analysis, a framework supporting managerial decision-making processes was developed. This Framework acknowledges that organizations would benefit from taking a holistic approach to lead generation and nurturing, and incorporates organizational issues as well as technical functions. The framework consists of four interrelated areas, that all need to be addressed when attempting change in a lead generation and nurturing process. The first area is Organization, including key issues such as alignment and competence. The second area is Processes, incorporating tasks such as clarifying goals and defining lead stages. The third area is Technology, where key issues include the website and marketing automation. Lastly, the fourth area is Partners, enabling an effective execution of the lead generation and nurturing process through a balance of in-house and outsourced competence.

Contribution to Research and Suggestions for Further Research

Influenced by the grounded theory methodology, this study identifies patterns and provides new understanding of lead generation and nurturing through the academic disciplines of marketing, information systems and management (Collis and Hussey 2014). The thesis answers the call for implementable research for marketing executives (Reibstein et al. 2009; Quinn et al. 2013), as

well as the impact advancing technology and rapid increase of data has on the marketing function, exploring the challenges companies face when going digital (Quinn et al. 2013; Leeftang et al. 2014).

Sufficient trustworthiness was created in this thesis by reaching credibility, transferability, dependability and confirmability (Lincoln and Guba 1985; Miles and Huberman 1994; Collis and Hussey 2014). A sample size of twelve was obtained for the study, reaching the preferred sample size according to Baker and Edwards (2012) and Marshall et al. (2013), which is twice the size of the minimum required sample size.

As declared in the introduction, the scope of this thesis was primarily limited to the B2B industry, focusing on the marketing function in lead generation and nurturing. The B2C industry, legal issues with data collection and management, offline marketing and digital marketing on a tactical level were all subjects outside the scope. Thus, it is recommended that future research explores these areas, building on the understanding of lead generation and nurturing. Longitudinal case-studies of companies going through digital transformation in lead generation and nurturing are called for. These studies are encouraged to explore the impact of automatization and AI on the marketing function, the impact of outsourcing data management to partners, and the impact of team formation when aligning traditional marketing competence with digital expertise. Lastly, experimental studies critically assessing the framework developed in this thesis are called for.

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A Appendix

A.1 Interview Guide

1. Introduction

- a. Hello and small talk
- b. Explain recorder, ask if okay
- c. Start recording
- d. Explain the purpose of the thesis and research question
- e. Explain the purpose of the interview and outline of the questions
- f. Explain confidentiality
- g. Note the time
- h. Ask if they want to clarify anything before starting

2. Interview Questions with prompts

- a. Use one of four sets
 - i. A.2 In-house Perspective
 - ii. A.3 Agency Perspective
 - iii. A.4 Consultancy Perspective
 - iv. A.5 Marketing Technology Perspective

3. Wrapping things up

- a. Thank you and small talk
- b. Repeat what happens next
- c. Ask if it is okay to follow up with questions if necessary
- d. Make space for possible insights after the end of the interview
- e. Paus the recorder
- f. Thank you again and small talk saying goodbye

A.2 Interview Questions – In-house Perspective

General

1. Tell me a bit about what you work with
2. In general, how would you say digitalization has affected lead generation and nurturing?
 - a. Would you say there is a difference between B2B and B2C lead generation and nurturing?
 - b. Would you say the effect of digitalization is positive or negative or both?

Marketing Processes

3. At your company, how does the lead generation and nurturing (marketing and sales) process look?
 - a. Can you draw it for me?
 - b. Which channels do you use?
 - c. Are there any challenges with this process?

Technology

4. Have you automated something in this process?
 - a. What and why?
 - b. Have you experienced any (dis)advantage with this solution?
 - c. What would you like to develop further?
 - d. Are you using artificial intelligence in any automated stage?
5. What kind of software are you using in your lead generation and nurturing process?
 - a. Platforms?
 - b. Databases?
 - c. Analytics?
 - d. Have you experienced any (dis)advantage with this solution?

Management

6. Do you outsource something in your lead generation and nurturing process?
 - a. To what kind of stakeholder? Why?
 - b. Pros and cons?
7. How do picture lead generation and nurturing looking in 10 years?
 - a. Human versus machine?
 - b. Competence?
 - c. Differences between industries?
8. Is there something I didn't ask you about that you want to mention?

A.3 Interview Questions – Agency Perspective

General

1. Tell me a bit about what you work with
2. In general, how would you say digitalization has affected lead generation and nurturing?
 - a. Would you say there is a difference between B2B and B2C lead generation and nurturing?
 - b. Would you say the effect of digitalization is positive or negative or both?

Marketing Processes and Technology

3. How would you say the relationship between in-house and outsourcing has evolved during the past decade?
 - a. Can you explain how the two influence each other?
 - b. What would you say has driven the change?
4. With your experience, would you say there are typical errors companies make, or challenges they have when they build their lead generation and nurturing process?
 - a. Technology?
 - b. Processes?
 - c. Competence?
5. Do you use the customer journey, a sales funnel or some other framework with your customers?
 - a. What why?
 - b. Pros and cons?
6. What types of software solutions are common?
7. To what degree do you see companies make use of analytics?

Management

8. How would you describe the digital maturity level on the market?
 - a. How aware are companies about their competence level?
 - b. Have you experienced any communication barriers?
9. How do you picture lead generation and nurturing will look in 10 years?
 - a. Human versus machine?
 - b. Competence?
 - c. Differences between industries?
10. Is there something I didn't ask you about that you want to mention?

A.4 Interview Questions – Consultancy Perspective

General

1. Tell me a bit about what you work with
2. In general, how would you say digitalization has affected lead generation and nurturing?
 - a. Would you say there is a difference between B2B and B2C lead generation and nurturing?
 - b. Would you say the effect of digitalization is positive or negative or both?

Marketing Processes

3. With your experience, would you say there are typical errors companies make, or challenges they have when they build their lead generation and nurturing process?
 - a. Technology?
 - b. Processes?
 - c. Competence?
4. How would you approach evaluating and developing a lead generation and nurturing process for a customer?
 - a. Can you draw it for me?

Technology

5. Would you say there are typical challenges related to technology in lead generation and nurturing?
6. How would you approach building a marketing stack for your customers?
 - a. How do you take competence into consideration?
 - b. How do you choose software?
7. How do companies seem to manage data from different sources?
 - a. Facebook/LinkedIn/search/web...
 - b. Several analysis tools ore one?
8. How do companies generally integrate their MA and CRM systems?
9. To what degree would you say your customers work with automation and AI?
 - a. Something trending?

Management

10. Regarding digital maturity, how would you describe the market?
 - a. What Kind of competence do companies have and what is missing?
11. How do you picture lead generation and nurturing will look in 10 years?
 - a. Human versus machine?
 - b. Competence?
 - c. Differences between industries?
12. Is there something I didn't ask you about that you want to mention?

A.5 Interview Questions – Marketing Technology Perspective

General

1. Tell me a bit about what you work with
2. In general, how would you say digitalization has affected lead generation and nurturing?
 - a. Would you say there is a difference between B2B and B2C lead generation and nurturing?
 - b. Would you say the effect of digitalization is positive or negative or both?

Marketing processes

3. How would you describe a lead generation and nurturing process ?
 - a. Can you draw it for me?
4. With your experience, would you say there are typical errors companies make, or challenges they have when they build their customer acquisition process?
 - a. Technology?
 - b. Processes?
 - c. Competence?

Technology

5. How would you describe a well-functioning marketing stack?
 - a. Which platforms?
 - b. What kind of analytics?
 - c. Examples of Good and bad?
 - d. Challenges with growing stack?
 - e. Managing data from several sources?
6. To what degree do your customers work with automatization and AI?
 - a. Trends?
 - b. How many would you call market leaders?
 - c. How many are starting with MA now?
 - d. How many have a long way to go before MA?

Management

7. Regarding digital maturity, how would you describe the market?
 - a. What kind of competence do companies have and what is missing?
8. How do you picture lead generation and nurturing will look in 10 years?
 - a. Human versus machine?
 - b. Competence?
 - c. Differences between industries?
9. Is there something I didn't ask you about that you want to mention?