

HOW TO BRIDGE THE ATTENTION GAP WITH COLD PROSPECTS



CoinflipMarketing



Key Takeaways:

Ø Cold email is still very clearly the most effective of all cold prospecting tools – but only when done in the right way and according to best practices.

Ø The primary challenge for cold calling as a channel is efficiency. If cold calling is a numbers game, the figures highlight that the answer to maintaining the level of contact sales reps previously experienced is to increase volume.

Ø Cold prospecting through direct mail has been used for decades as a means of reaching out to potential customers.

Introduction

Cold lead prospecting

According to HubSpot, 40% of salespeople point to prospecting as the most challenging aspect of their role.

It's understandable why.

The primary obstacle standing in the way of a revenue target is the ability for a sales rep to connect with and get the attention of a target prospect—and then convert the attention into a sales conversation and close.

For many years, several cold outreach channels have emerged, and their effectiveness has been affected by technology as well as shifting buying behavior.

In this white paper, we explore the effectiveness of cold lead prospecting and follow-up and the distinct challenges of attracting and holding the attention of hard-to-reach prospects.

Here's what we cover:

Why cold prospecting is working less and less—the evidence.

Effectiveness and challenges of cold prospecting channels

- Email
- Cold calling
- Direct mail
- A new approach to cold lead prospecting.
- Personalization as an enhancement strategy.

Effectiveness and challenges of cold prospecting channels

Email outreach

Cold email prospecting is now well-established as a channel with the potential to deliver results.

In terms of efficiency and ability to target a specific individual, cold email activity has previously offered a much higher return on investment than other channels, such as social media.

However, in recent years, the effectiveness of cold email outreach has significantly waned, as research suggests:

- A study by Yesware revealed that only 23% of cold emails were opened.
- Only 24% of sales emails are opened, according to Gartner research.
- According to research from MailChimp, the average open rate for cold emails is just 17%.
- According to Marketo, the average click-through rate for cold emails is just 3%.
- A study by Salesforce revealed that only 4% of cold emails resulted in a response.

There are a few challenges.

The challenges

The lack of effectiveness of cold email and cold messaging outreach is primarily down to three elements:

Lack of accurate data

The lack of effectiveness often comes down to purely operational issues, including data decay (when uncontacted leads lose their relevancy after a period) and inaccuracy. In fact, most studies put the figure at up to 25% of the data in a sales database being inaccurate.

Poor targeting

Even if the data is accurate, activity can be sabotaged when prospects have been selected who are not in the target market or have no clear need. This is the function of an organization's marketing or lead generation function and its effectiveness at qualifying leads. Unless this is resolved, no matter the volume or the quality of the outreach, results will remain poor.

Poor messaging

The first two issues can be dealt with through enhanced processes to ensure better quality data and more accurate targeting. Which leaves the third issue as a potential area of focus.

What you write and how you write a cold sales email makes the difference between a response and failure.

With automation technology allowing mass sending of cold email, messaging has been sacrificed, and again volume becomes important. With falling response rates, this will have to change.

The future of cold email?

Cold email is still very clearly the most effective of all cold prospecting tools—but only when done in the right way and according to best practices.

Sales teams have often become enthralled by the technological options that allow email at scale and automated follow-up without really considering whether it meets their needs. A step back to a more thoughtful and personalized approach will significantly enhance the results of many email campaigns.

Even a small amount of personalized content makes a significant difference. For example, one piece of research found personalized emails with custom snippets gained a response rate of 17%, compared to 7% for those emails that were not personalized (Woodpecker). There are many studies on the effectiveness of personalization in subject headers, but the inclusion of the prospect's name or something relevant can increase open rates by up to 50% (Marketing Dive).

Personalization is not a single action. It is a sliding scale that goes from just adding a first name field to a personally written, well-researched email that is only relevant to the recipient.

This is one area of enhancement to consider later in this white paper.

Cold calling

Working the phones was a core activity for salespeople right up until the advent of email and messaging technology.

Cold calling has been consistently declining as an effective or efficient means of connecting with prospects. This is even with the advancement of new technology that improves the accuracy of calling data, provides richer CRM data, and automates dialing.

The extent of the challenge is highlighted in research from Gartner. According to the firm, it now takes 18 or more inbound calls to connect with a prospect on the phone. Call-back rates linger below one percent [1].

There is a general shift in buyer behavior towards self-service and a reluctance to engage salespeople early in the decision-making process. This is reflected in research that shows up to 80% of buyers prefer contact with salespeople via email rather than phone [2].

At higher management levels in an organization, the effectiveness of cold calling drops even further. According to one survey, more than 90% of C-level executives said they never responded to cold calls or cold outreach. [3]

The challenges

The primary challenge for cold calling as a channel is efficiency. If cold calling is a numbers game, the figures highlight that the answer to maintaining the level of contact sales reps previously experienced is to increase volume.

However, even with dialing automation, it is clear there is a diminishing level of return from the extended effort salespeople now need to make to achieve the same results. Depending on the AOV or LTV of the prospect they are seeking to engage, this may or may not be the most profitable use of their time.

Increasingly, other channels, while not necessarily proving more effective than getting a prospect on the phone and in conversation, have the benefit of leveraging automation and reaching a greater volume than others.

A future for cold calling?

There is still a strong belief that cold calling and phone contact will form some part of the sales process. For all the shift in buying behavior, for higher ticket purchases, the need for trust and connecting with a human as part of the vendor organization will likely never be fully removed. In fact, one study suggested that 41% of salespeople still believed the phone was the most effective sales tool [4].

The question for sales leaders and teams is not how to increase our call volume through automation and use tech solutions to increase callbacks. Instead, the focus has to shift to the more nuanced question of how to use cold calling as part of a wider strategy of engagement and outreach.

Branded promotional items.

Cold prospecting through direct mail has been used for decades as a means of reaching out to potential customers. Traditional cold prospecting methods rely on guesswork to determine who might be interested in what their business has to offer, often resulting in disappointing results.

Therefore, the strategy emerged for sales reps and organizations to offer branded promotional items as a tool to gain attention and keep their brand or message in front of a prospect.

The idea was that a branded water bottle would prove useful and sit on the desk of a prospect until the need for a product or service arose, and, when it did, the obvious choice was already in the prospect's mind.

Branded promotional items range from small items, such as pens and mugs, to clothing, such as t-shirts and hoodies, all the way up to hampers.

The challenges

While this was true when prospects rarely received branded promotional items, it has now transformed into a multi-billion-dollar industry. Today, \$37 billion is spent every year on branded promotional items, meaning prospects are receiving multiple items from multiple sources on a regular basis.

There has been a shift in how prospects view this approach. Aside from the obvious receipt of multiple unsolicited items, which are then left for the prospects to dispose of, there is a 'blindness' to this approach.

The use of brand promotional items to gain attention and interest often comes across as inauthentic and ineffective. Brand promotional materials can also feel impersonal and may no longer stand out when compared to other forms of outreach.

A future for branded promotional items

Despite weak response rates, the popularity of branded promotional items as a strategy does not seem to be waning. This is primarily due to its ease of implementation, scalability, and the 'safety in numbers' bias in that, if so, many other organizations are taking the approach, and by not doing it, there is a risk of not being seen alongside competitors.

One way to maintain and enhance the strategy would be to focus on driving effectiveness by adding a more personal element to increase response rates.

Cold outreach isn't dead. It needs to evolve.

For all the challenges with each of the cold outreach channels above, there is no shift away from cold outreach.

Even when the numbers look overwhelming when comparing cold outreach to other marketing and sales channels, there is still a strong belief that, done well, cold outreach can significantly deliver the right results.

Although most cold campaigns experienced low response rates, those who succeeded in winning the attention—and then the business—of cold prospects gained heavily.

Many buyers also recognize that outreach is often the catalyst for the conversations they need to be having.

Consider the following statistics, for example:

- 82% of buyers accept meetings with sellers who proactively reach out to them (RAIN Group).
- 75% of prospects in the C-suite are happy to take sales calls (HubSpot).

The caveat with each of these statistics is that those who do accept meetings, take sales calls, and accept promotional items happily do so when they are certain there will be value in doing so.

Do we need a different way to engage prospects?

With the research overwhelmingly pointing to a lack of desire from prospects to engage in the buying process, what are the possible solutions?

All things being equal, even when the message reaches the right target audience, there is usually a significant disconnect. According to research from Brevet, just 13% of prospects believe a sales representative understands their needs.

Failing to build a connection or rapport that can lead to further conversations and developing a relationship is lost—and rarely rediscovered.

But what about cold calling? If a sales representative fails in getting the prospect on the phone and into a conversation, they never get the chance to test their messaging.

Much training and coaching around improving sales effectiveness and driving up response rates has focused on developing the sales rep's ability to define needs. This is done through questioning, active listening, and any number of other strategies. However, it leaves aside two key considerations:

- If you are cold prospecting, you may never have the opportunity to discover your prospect's needs in detail, and, therefore.
- Much of the time, you are alluding to and talking about needs or agitating pain points that you have to assume they are experiencing.

There is a higher level of guesswork and "taking it on faith" that is required of sales reps.

However, if we were to take a step back and consider what else is likely to provoke a response in the prospect, it's possible to see other ways to engage them that don't require guesswork.

Changing the game from agitation to connection

Why is it so important to discuss the prospect's needs and challenges?

For an experienced sales representative, the answer will be that engaging the prospect's emotions is key to setting up the purchase. Individuals who feel agitated and in need of resolving a pain are significantly more likely to take action than those who don't.

Shifting the mindset from agitation (a negative emotion) to connection (a positive emotion) allows sales reps to broaden their range of tools for reaching and building a relationship with the prospect.

There are many ways to approach this challenge. However, one of the most effective strategies to deploy is personalization.

Personalization and cold lead prospecting

Cold-lead prospecting is dramatically enhanced by personalization. Creating tailored messaging that attracts attention and resonates emotionally with the target audience makes all forms of cold outreach more effective.

To make personalization work, salespeople and their organizations have to focus on gaining valuable insights into a prospect's interests or behaviors. The need to craft personal messaging that sets this form of outreach apart from all the other messaging the prospect is likely to encounter on a day-to-day basis, by its nature, prevents the approach from being automated on a meaningful scale.

This is both a challenge and a significant advantage for the sales representative looking to reach the prospect.

What personalization is not?

The phrase 'personalization' has been used in various ways within sales and marketing. In the context discussed here, the use of personalization goes beyond the level of replacing fields with personal and business information.

From a marketing perspective, personalization has been proven to be effective in driving stronger outcomes—particularly in e-commerce. According to research by Salesforce, 78% of marketers believe personalization has a strong or very strong impact on customer relationships.

There is an important distinction here. Much of the personalization in marketing is driven by data, typically highlighted by a customer's preferences, which are either explicitly expressed or implied by their behaviors.

Personalization as a sales tool goes far beyond this purely data-focused approach. Personalization executed effectively in a manner that works to get the attention of cold prospects leans more heavily on understanding personal interests and key information about

the individual to understand what matters to them. It is a more qualitative approach than most typical marketing personalization.

Personalization = human touch

The important element that drives the effectiveness of personalization strategies for cold outreach is the prospect's belief. When receiving any kind of message from an individual or organization with which they may not have previously engaged, they are likely to assess the message against two basic criteria:

- Have I seen this before?
- Why should I pay attention to this?

In other words, *why should this matter to me?*

Seen through this prism, it's easy to understand why so many cold calls, cold emails, and customized branded items end up being ignored and receive a lack of response from the prospect.

'Benefit' is no longer enough to garner a response from a prospect—or it is, at least, too challenging to demonstrate in a single brief interaction. Rather than try to focus on demonstrating why a product or offer is better as a means to elicit a response in a prospect, better results may be achieved by shifting the criteria to focus on emotional connection.

By precipitating a positive emotional response in the recipient of a message, the dynamic of the relationship changes from 'push' to 'pull'. Connecting with a person through their interests, behaviors, or some part of their identity at its most basic level at the very least shifts their belief that the sender understands them better than others. In the best-case scenario, this shift is enough to cause them to respond positively, which may or may not lead directly to a sales conversation.

The key element is that personalization delivers stronger response rates because the recipient believes the other party has made a greater effort to understand who they are and what they want or need.

Personalization as an enhancement strategy

The emergence of new sales tools, technology, and strategies tends to build on the work already being performed by sales reps and sales teams every day. There is less revolution and more evolution in how new ideas improve effectiveness and efficiency.

Often, these enhancements simply help mitigate challenges.

For example, the advent of automated dialing technology has helped offset, to some extent, the fall in response rates from cold calling. But the strategy of cold calling and how it is performed

have not dramatically changed as a result. Technology has added greater efficiency to offset a drop in effectiveness.

Personalization, on the other hand, offers an enhancement to both efficiency and effectiveness when executed correctly.

Although the execution of personalization strategies required more labor, effort, and investment upfront, the dramatically improved response rates reduced the need to operate at scale to achieve the same level of effectiveness.

Personalization is also versatile in that it can enhance the effectiveness of multiple channels, including cold email and direct mail, almost immediately.

By adopting personalization as an integral part of an organization's cold prospecting approach, the improved response rate and subsequent revenue uplift would quickly dwarf the investment and additional effort required and would also bring differentiation benefits to the sales reps and their organization, too.

Does personalization work?

Coinflip Marketing has worked with multiple clients who suffered from the same issues outlined above. By providing simple but highly effective personalization strategies that aligned with their current approach, we helped clients achieve dramatic improvements in their response rates, resulting in more conversations with hard-to-reach prospects and greater revenue generated.

To read about specific case studies in your sector, please contact us at [INSERT CONTACT DETAILS] or go to [INSERT RELEVANT WEBSITE URL].

In summary

The effectiveness of cold outreach has been waning for some time, leading to less successful results and greater costs for organizations. However, despite the advent of new technology to increase efficiency, the continuing decline in response rates in all areas of cold outreach threatens to leave sales reps and their organizations stretched and struggling against the competition.

To combat this challenge, one effective approach has focused on shifting the focus from agitating prospects as a trigger to responding to positive emotional experiences.

Personalization strategies offer a way to increase effectiveness by creating an emotional connection with the recipient and connecting on a level that demonstrates understanding. There is more effort and cost upfront in implementing such strategies, but the improved response rate quickly outweighs the investment and leads to higher revenue. Therefore, organizations should

consider personalizing their cold outreach strategies to drive greater effectiveness and efficiency.

[1] Gartner Group:

<https://www.gartner.com/en/articles/sales-development-technology-the-stack-emerges>

[2] RAIN Group: <https://www.rainsalestraining.com/blog/8-sales-email-secrets>

[3] [InsideView](#)

[4] Sales Insights Lab

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