Lead Generation vs Lead Nurturing: A Guide

Generating and nurturing leads is a vital part of any digital marketing strategy. Undoubtedly, both processes unlock massive growth potential for a business. And getting them to work like a well-oiled machine should be the goal of any business that's looking to increase profits and remain competitive over the long term.

With most businesses citing lead generation and lead nurturing as their greatest challenges, where should you be directing your efforts and resources for maximum impact? Better still, what are the key things to consider when creating effective lead generation and nurturing campaigns?

To answer these questions, we'll be exploring the differences between lead generation and lead nurturing, their importance, and how to optimise them to meet your marketing and business goals.

What Is Lead Generation?

A prospect is a potential customer who is in the market for your offering and has the resources to buy it. A lead is a prospect who has expressed interest in your offering and given you their email address. Put simply, lead generation is the process of turning prospects into leads. This can be done through lead magnets, free trials or anything else a prospect deems valuable or interesting enough to exchange their details for.

How Do You Generate Leads?

New leads can be generated through inbound and outbound marketing strategies. Outbound lead generation involves getting prospects through methods such as cold calling, direct marketing, TV, radio or print.

Inbound marketing involves gaining prospective customers' attention, interest, and contact details. It's about getting customers to come to you by highlighting your value proposition and offering them value through various digital channels, such as:

- Lead magnets

- Blogging/Content Marketing
- Social media
- Referrals
- Search engine marketing
- Product trials
- Ads and retargeting

Having solid inbound and outbound lead generation strategies allows you to cast a wider net and attract more leads.

The Importance Of Lead Generation

Effective lead generation is important because it:

Increases your customer base

Lead generation allows you to increase your customer base. The more leads you generate, the more prospects you can convert into paying customers.

Builds brand awareness

Lead generation increases your reach, engages customers, and tells them about your products and services. With higher levels of brand awareness, come greater levels of trust and the willingness to buy your products.

Maximises resources

Lead generation helps you identify and focus on the right audience. Targeting your efforts in this manner allows you to use your resources more efficiently and reach prospects who are more likely to purchase your products — and become repeat customers.

Captures customer details

Lead generation allows you to collect prospective customers' details so you can follow up with them and personalise your efforts to their needs.

What Is Lead Nurturing?

Leads don't automatically become customers — they need more information; they also need to trust you and warm up to the idea of doing business with you. No matter how great your product is, you won't gain much traction without doing these two things. This is where lead nurturing comes in: lead nurturing turns prospects into customers by moving them through each stage of the buyer journey until they're ready to make a purchase. Lead nurturing also reinforces and leverages relationships to encourage repeat sales and referrals from loyal customers.

How Do You Nurture Leads?

No matter what channel or tactic you use, nurturing customers is about consistent communication and engagement. Some of the best ways to nurture leads include:

- Social media
- Personalised communication (emails, push notifications, text messages)
- Content marketing (blogging, guides, ebooks)
- Incentives, discounts, and free trials

The Importance Of Lead Nurturing

Effective lead nurturing is important because it provides:

A competitive edge

With only 29% of businesses actually nurturing existing customers past the first purchase, focusing on nurturing leads can give you a competitive edge.

Actionable insights

Effective lead nurturing allows you to identify how to improve your sales funnels and maintain better relationships with your customers.

Greater returns

Nurturing leads doesn't just guarantee more sales, it also guarantees purchases up to 47% higher in value. This means more revenue and greater returns on your investments.

Referrals and new leads

When leads become satisfied customers, they're more likely to recommend you to their friends. This is another great way to generate quality leads. In fact, 92% of consumers purchase something because of a referral.

Lead Generation vs Lead Nurturing: Which Is More Important?

Lead generation involves finding customers who have a need for your product and services, while lead nurturing involves focusing on customers who have expressed genuine interest in your business and your products. Lead generation is the first stage in the customer journey, while lead nurturing is everything else after that.

Considering that it's cheaper to retain than acquire new customers, one might argue that lead nurturing is more important. However, if new leads don’t keep coming in, a business won’t experience much growth. The fact is, both processes are essential — no business can generate profit or experience growth without them. When lead generation and lead nurturing are optimised, they work together to help a business achieve its marketing and business goals.

How Do You Create An Effective Lead-Generation Campaign?

65% of businesses say that generating traffic and leads is their biggest marketing challenge. This is because creating an effective lead generation campaign is not only about getting more leads, it's about getting quality leads. To acquire quality leads who are more likely to convert, do these five things:

1. Identify your ideal customers

When it comes to generating leads and making sales, understanding your ideal prospect is everything. What are their pain points and how best can you address them? If you have historical sales data, use that to identify what characteristics your customers have in common. Then, use this information to create buyer personas.

2. Create high-value lead magnets

Lead magnets are offers or content that a prospect really wants. Ideally, lead magnets should offer immense value and be something that a prospect would pay for. Keeping your lead magnets closely related to your value proposition allows you to seamlessly offer leads more value in the form of a paid product.

3. Craft converting landing pages

A landing page sells your lead magnet, so it should be crafted for maximum conversions. The most important elements to focus on are the headline, copy, and call-to-action (CTA). A headline should hook the prospect and highlight the key benefit of your lead magnet. Your copy should be engaging and provide more benefits. Lastly, the CTA should be clear. Remember, if a potential customer can visualise how your offering solves their problem, they're more likely to convert.

4. Drive traffic to your landing pages

Once you've put all of these elements together, you can drive traffic to your landing pages and get leads to nurture into loyal, paying customers. Driving traffic involves creating awareness, interest, and engagement through various channels, such as search engines, content marketing, paid ads, and social media.

5. Analyse, measure, and iterate

To grow your business, you'll need to keep generating quality leads and finding ways to do so more efficiently. Therefore, track the results of your lead generation efforts and make improvements where necessary.

Lead Generation Mistakes To Avoid

To get the most out of your efforts, avoid these key lead-generation mistakes :

Trying to target everyone

It isn't realistic to target everyone. In fact, doing so is a waste of resources and is likely to lead to poor-quality leads. When it comes to lead generation, focus on quality too, and not just the numbers.

Buying leads

It might be tempting to buy leads, but these aren't quality leads. Leads acquired this way haven't expressed interest in your products or signed up to receive anything from you, so you're spamming them. To avoid being flagged and blacklisted, always generate leads organically.

How Do You Create An Effective Lead Nurturing Campaign?

80% of new leads acquired in the lead generation stage don't result in sales. Additionally, it takes up to five to seven tries to get a lead to trust you enough to consider making a purchase. Your goal is to gradually earn their trust until they are ready to make a purchase. For a more effective lead nurturing campaign, focus on these six things:

1. Create a lead-nurturing email sequence

Email marketing remains one of the most effective lead-nurturing tactics. This is because emails can be automated, personalised and sent to subscribers regularly to

keep them engaged. When a prospect opts in to receive your emails, you can send them emails designed to increase their interest levels and adjust your emails automatically based on their behaviour.

Email lead nurturing best practices include:

- Sending weekly emails to subscribers
- Delivering content that is relevant, valuable and engaging.
- Building trust by providing value in every email
- Using relevant sales pitches in your emails to drive sales

2. Focus on personalisation

Personalising your lead nurturing tactics leads to more conversions and promotes customer retention. Personalisation involves creating great offers for customers in different stages of the buying cycle. For example, providing informational content for those at the beginning of the customer journey and offering free trials or demos for those at later stages. Tailoring your CTAs to the buyer stage is also another way to increase conversions. In fact, tailored CTAs convert up to 202% more than standard CTAs.

Crafting personalised offers and CTAs for each stage might be tedious, but the rewards are worth it. By creating valuable content that nurtures prospects down the funnel, your chances of making sales and gaining loyal customers increase.

3. Automate your efforts

Trying to nurture leads manually is too expensive, not to mention time-consuming. Marketing automation involves using software to simplify lead nurturing.
Through automation:

- Lead scoring and lead lifecycle management can be optimised
- Personalisation can be prioritised
- Valuable lead analytics can be generated to guide your efforts
- Leads can be contacted in a timely manner

As a business, your responsiveness to leads determines whether they become customers or turn to your competitors. Because the ability to deliver results more

efficiently is a source of competitive advantage, marketing automation is closely linked to business success.

4. Implement lead-scoring

Lead scoring involves ranking prospects according to their engagement levels and readiness to buy. Through an automated system, leads are assigned points based on their interactions with your content. This helps you figure out who is ready to buy and what they are interested in buying — allowing you to target them at the right time, with the right message.

5. Align sales and marketing efforts

When marketing and sales teams work together, it's easier to identify where leads are in the buyer's journey. Following up and pitching to leads can happen seamlessly, leading to higher conversion and retention rates.

6. Optimise your strategy

It's crucial to analyse which leads are converting into sales and what nurturing methods these leads have gone through. Collecting this information allows you to keep track of the most effective strategies and techniques. If you know which methods yield the best returns, you can invest time and effort into them.

Lead Nurturing Mistakes To Avoid

In order to maximise your lead-nurturing efforts, avoid these key mistakes :

Not interacting with customers

Not being responsive to customer needs can be detrimental to your business over the long term. A customer-centric approach develops valuable, lifelong relationships. So,

interact with your customers through social media and gather more insights about their needs and concerns through surveys and polls.

Poorly planned sales pitches

Ultimately, sales pitches are what will persuade your leads to buy from you. If you aren’t pitching to your leads strategically during the nurturing process, you’re missing out on conversions. Similarly, if your sales copy is flat and fails to convey value, you'll struggle to generate sales. Invest in clear, compelling sales copy to get better returns.

Final thoughts

Lead generation and lead nurturing are processes that must be optimised continuously to yield returns. One process cannot exist without the other; instead, they must work in harmony to ensure conversions, and ultimately, business success. If you need help generating and nurturing leads, we can help. Book a strategy call with us today.