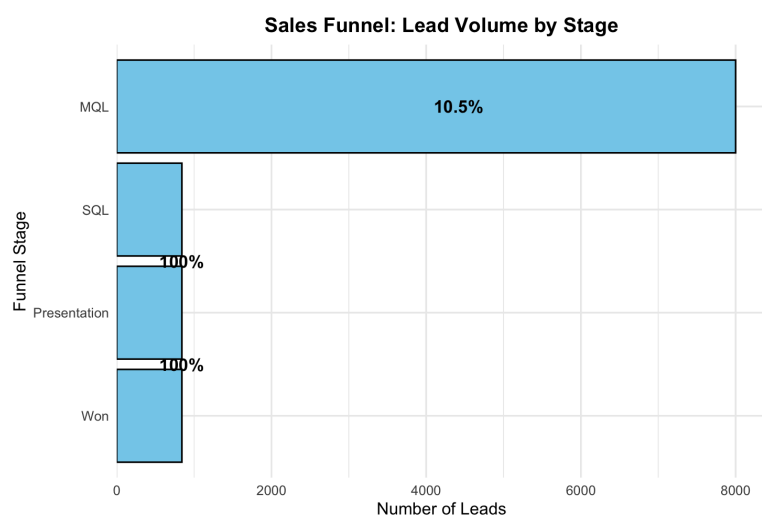


Olist Sales Funnel Report

Ashley R. Sanders

This report analyze a marketing funnel dataset from sellers that filled-in requests of contact to sell their products on [Olist Store](#). The dataset has information of 8,000 Marketing Qualified Leads (MQLs) that requested contact between June 1, 2017 and June 1, 2018. They were randomly sampled from the total of MQLs.

Funnel Performance Overview (MQL -> SQL -> Presentation -> Won)



Out of 8,000 marketing qualified leads (MQLs) at the top of the funnel, only 842 leads (10.5%) progressed through sales qualified leads (SQL) and presentation to become won deals. After leads are passed along to a sales representative to make a presentation, 100% of the leads are retained, and close rates are 100% after this point.

Where are leads dropping off in the sales funnel?

The funnel narrows drastically at the initial stage, which might indicate that marketing is passing along poor quality leads to sales. Once the sales development representative passes along a lead to a sales representation to make a presentation, all leads are retained, so the biggest lead attrition occurs when converting MQLs to SQLs.

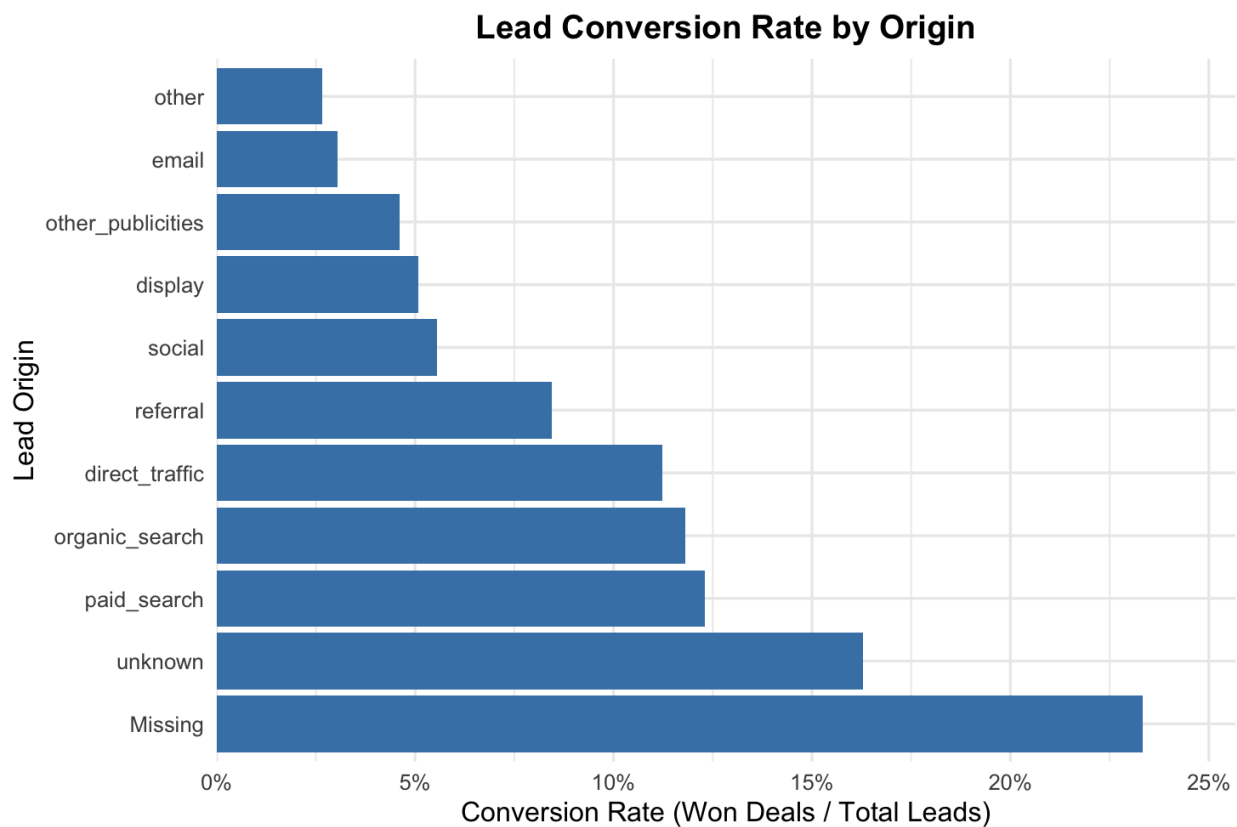
Insight

This suggests that the sales team is effective at closing qualified opportunities, but many marketing leads never reach that point. In practice, a 100% close rate after presentation is unusually high, which likely reflects that only the most promising leads make it to this stage, or, more likely, that the data shared only represents closed leads, and not those that fell out of the funnel in the middle of the process. However, given the data we do have, I would recommend

that the company focus on improving the MQL to SQL conversion to get more leads into the sales teams' capable hands.

What marketing channels generate the highest-quality leads?

By comparing conversion rates across channels (social media, email, referrals, organic search, etc.), we can see which sources tend to produce leads that convert most often.



Missing and unknown origins lead the conversion rates, which is unfortunate since we don't know their origins, however, paid search performs slightly better than organic search in converting leads, whereas email, display ads, and other publicities lag behind other channels. There are substantial differences in performance by channel. Leads coming from the top performing channels **convert at 2-6 times higher rates** than others. Since the highest performing channels are unknown and missing, Olist needs to ask customers who converted from these channels how they found out about the company and begin tracking these lead sources.

Insight

Lead **origin** has a **strong correlation with conversion success**. Generally, **inbound leads from search and direct channels convert much more effectively** than outbound or passive channels like email blasts or display ads. The particularly low conversion for email-origin leads suggests that many who enter via email campaigns are not sales-ready or are poorly targeted. Meanwhile, the dominance of “unknown” as a top converter implies there may be high-quality sources not being captured in tracking – for example, these could be offline referrals or untagged campaigns, which **should be identified and leveraged**. Olist can use these insights to rebalance marketing efforts toward the **channels that produce the most wins**.

Are there specific lead characteristics that strongly correlate with conversion success?

This is impossible to determine from the data since we have no information about leads who did not convert.

What improvements can the agency implement to reduce drop-off rates?

Recommendations

1. **Strengthen lead nurturing and follow-up:** Implement a more robust lead nurturing program to engage and educate MQLs before handing them off to the sales team. Timely, personalized follow-ups (email, calls, video messages or meetings) and targeted content can warm up leads so that more of them will become sales qualified. Create a structured nurturing path (such as drip email campaigns, webinars, and case studies), Olist can increase their MQL => SQL conversion rate. Keep leads interested and address any concerns to encourage them to convert when handed off to sales.
2. **Align marketing and sales on lead qualification:** Close coordination between marketing and sales development teams is essential. Establish clear criteria for what constitutes a **sales qualified lead (SQL)** and ensure that marketing is optimizing for those criteria (using lead scoring, behavior signals etc.)
 - a. This might be a good moment to **analyze customer behavior** to better understand signals that indicate interest and that a customer is ready for the nurturing pipeline constructed in step 1.

- b. In addition, sharing lead engagement data with SDRs immediately can help them prioritize the hottest MQLs since those who express interest and are contacted within 5 minutes are MUCH more likely to convert and buy.
 - c. Likewise, Marketing should get feedback from Sales on lead quality to refine targeting. Alignment on the definition of a quality lead between these two teams is crucial and will prevent leads from disappearing due to lack of ownership.
- 3. **Focus on high-performing origin channels:** Reallocate marketing resources toward channels that yield the best conversion rates. Given that **search-driven leads (organic and paid)** are most likely to convert, consider increasing SEO efforts, content marketing, and SEM investment to attract more of these high intent prospects. Similarly, referrals and direct traffic indicate strong interest. Olist could incentivize referrals and make sure the website experience for direct visitors is optimized (clear call to action, compelling landing pages, etc.) By doubling down on channels that produce quality leads, the funnel will see a higher yield.
- 4. **Improve or fix low-performing channels:** For channels with poor conversion (e.g., Email, Display, and Social), evaluate and revise the strategy. It may be that the leads coming from these sources are not well-targeted or not sufficiently engaged. Olist should audit email campaigns - are they attracting the right audience? Perhaps segment email leads better or provide more enticing offers to improve quality. For social media, consider if the content or targeting can be adjusted to attract more serious business prospects (or possible shift focus to professional networks like LinkedIn if not already doing so). If certain channels consistently yield unqualified leads, budget could be reduced in those areas in favor of higher-ROI channels. The key is to either optimize these campaigns or funnel those marketing dollars elsewhere.
- 5. **Enhance lead source tracking and attribution:** Since the highest performing channels are unknown and missing, Olist needs to ask customers who converted from these channels how they found out about the company and begin tracking these lead sources. By capturing the true source of these leads, the marketing team can identify which campaigns or referrals are driving this success and then **scale those efforts**. Better attribution will also help refine marketing strategy (ensuring credit is given to the channels that deserve it).
- 6. **Gather qualitative data on all leads:** If it is important to determine which factors are most strongly correlated with conversion, information is needed on all leads and whether or not they converted.
- 7. **Input dates of key events:** This data will inform time-to-event analysis and would allow us to examine correlations between customer characteristics, events in the sales funnel, success rate, and time to conversion.
- 8. **Maintain a high-touch sales approach for SQLs:** Although the later-stage conversion is already excellent, to ensure this remains the case as volume grows, continue providing a **personalized, consultative sales approach** for every SQL. As the funnel widens, not every future SQL may close as easily, so Sales should keep focusing on the prospect's specific needs and pain points during their presentations and nurture those relationships. The current perfect close rate suggests that the sales process (presentations, demos, follow-ups) is very effective. Preserve this effectiveness by

training any new sales hires to replicate the same customer-centric approach. Protect the latter stages of the sales funnel from drop-off by continuing to deliver **compelling presentations and addressing any objections** promptly so that qualified leads consistently turn into wins.

Conclusion

By implementing these improvements, Olist can **reduce the steep drop-off at the top of the funnel** and ultimately drive more MQLs to become paying customers. The emphasis should be on **generating higher-quality leads and better preparing them for sales**. This means **nurturing leads with relevant content, aligning team efforts, and focusing on marketing channels that work best**. At the same time, fixing tracking gaps will enable Olist's marketing team to make data-driven decisions on where to invest. With more leads entering the sales pipeline and the sales team already excelling at closing, these actions will boost overall conversion and revenue growth for Olist's B2B business.