

The New Rules of Lead Generation – Chapter Synopses

Introduction: Who Should Read This Book?

Lead-generation is a strategic marketing discipline utilized by most, if not all, Fortune 1000 companies. Despite its widespread adoption, lead-generation remains something of a mystery to many marketing executives. This is, in part, because “brand awareness marketing” is emphasized in the industry. Additionally, lead-generation marketing is rarely, if ever, discussed in even graduate-level marketing curriculums. So, most marketers enter the workplace not even knowing that lead-generation marketing exists. This is the major reason why I've written *Taking the Lead*.

Taking the Lead was written for marketing executives at Fortune 1000 organizations. The book provides an in-depth look at lead-generation, including how the discipline works, its various strategic elements, and how a lead-generation marketing program evolves over time. The book also offers a comprehensive analysis of the seven most successful lead-generation tactics. Additionally, the book gives marketers the tools they need to measure the results and cost-effectiveness of lead-generation tactics to determine which tactic nets the best results for a particular company, and which tactics are most cost-effective for their company. Finally, the book tells marketers how to develop a successful, integrated lead-generation campaign using several tactics working in conjunction. *Taking the Lead* eliminates the mystery of lead-generation marketing, and gives marketing executives and new marketers the tools they need to implement new lead-generation tactics, and to increase the effectiveness of their existing lead-generation programs.

Chapter 1: What is Lead-Generation Marketing?

Lead-generation marketing is the backbone of any successful company's marketing department. Conducting an effective lead-generation campaign is a challenge unless the marketer truly understands the nature of the discipline. With the rise of eCommerce in recent years, marketing has gone through a paradigm shift. Lead-generation was a practice traditionally conducted in tandem with a company's Sales department, but now many companies can function without sales people, placing even greater focus on marketers and their need to acquire fresh, quality leads.

Lead-generation is a strategic, no-frills form of marketing, differing greatly from the brand awareness marketing (think *Mad Men*) that most people know. Lead-generation is primarily analytic and focuses on measuring and testing specific marketing strategies against one another. Brand awareness marketing, instead, attempts to place an emotional impression in the customer's mind. This technique often results in slick-looking ad campaigns, but lacks the strategic focus that drives lead-generation.

Chapter 2: Defining Your Leads

As its name would suggest, lead-generation marketing hangs on the acquisition of leads. But what exactly is a lead? Leads are defined in many different ways, but ultimately a lead results in some kind of customer

action. Do you want a potential customer to download a white paper, sign up for a newsletter, or actually buy a product? It is inherently critical that a marketer should understand what kind of lead they are looking for and what kind of action they expect that lead to make. Understanding the kind of lead the marketer hopes to acquire will help the marketer to decide what kind of offer they will make to that potential customer.

A marketer can define the kind of lead they want by determining where that lead is in the Attention Interest Decision Action (AIDA) Curve. These four states (Attention, Interest, Decision, Action) characterize the typical lead's mindset as they progress along the buying cycle. Each step requires that the lead be approached in a different way with varying offers that align with the lead's place in the buying cycle. By understanding and utilizing the AIDA curve, the marketer can determine how they will interact with a lead, which is critical for lead-generation success.

Chapter 3: Lead-Generation Strategy

Developing a solid strategy is an essential component of lead-generation. In order to clarify what is often a complex process, this chapter contains an overview explaining the fundamental elements of lead-generation strategy.

When creating a lead generation strategy, it's essential that the marketer decide which leads are marketing leads and which leads are sales leads. In other words, where is this lead in the buying cycle, and how close is this lead to buying a product or service? Understanding where the lead sits within the buying cycle determines whether or not the marketer is going to engage in active or passive marketing tactics. Once the marketer gains a sound understanding of the leads they have, the next step is to begin setting goals. These goals should include the number of new leads the marketer wants coming in, and the number of old leads the marketer wants to convert into actual sales.

These goals need to be developed with measurement and testing in mind. Testing allows you to determine the success and failure of your lead-generation strategy in very specific terms. There are several reliable ways to test your lead-generation efforts, but it's essential to ensure that the right testing method is used for each specific strategy. This testing allows the marketer to go to corporate executives and explain successes and justify failures.

Chapter 4: Using Lead-Generation Tactics

Once the marketer has developed a solid understanding of lead-generation strategy, it's time to put these tactics to work. Successfully implementing lead-generation tactics involves understanding exactly how these tactics are used efficiently and optimally. It's important to note that no matter which lead-generation tactic the marketer chooses, there are five basic principles that apply.

First, it's necessary to determine and plan your approach. This involves roughly identifying and researching the target customer, deciding what specific goals the marketer has for this customer, and determining the most effective way to measure the tactic used to reach this customer.

Second, deeply research and understand the target customer. This includes developing both a demographic and psychographic model.

Third, develop your assets. This includes building the various offers you will deliver to the target customer. These can be e-mail messages, direct mail pieces, cold-calling scripts, etc. but these offers need to be tailored for the lead you are reaching out to, taking into account where that lead is inside the AIDA curve.

Fourth, execute the campaign. There are a variety of factors to consider here, including timing and frequency. Each kind of customer is going to respond differently depending on when he or she receives your assets.

Fifth, measure and test the response rate. This is the most important part of the overall process. Testing and measuring allows the marketer to understand what they did right and what they did wrong, and the results provide the data needed to adapt future lead-generation efforts.

Chapter 5: Calculating the Costs

Calculating the costs associated with a campaign is a critical, but often complicated aspect of lead-generation. Before you begin any calculations, it is helpful to understand the kind of costs typically incurred when conducting a lead-generation campaign. Cost-Per-Action is a universal cost related to lead-generation campaigns. It implies that a lead needs to take some kind of action, be that clicking on a banner ad, or signing up for a newsletter. Understanding Cost-Per-Action allows the marketer to evaluate a lead-generation tactic to determine if that tactic is going to generate the desired profits.

To further allow for cost calculation, it's essential that the marketer categorize each individual lead. For example, a marketer may start with 100 leads, but maybe only 10 of those leads will result in a sale. Understanding this disparity allows the marketer to calculate a more accurate assessment of costs, which will determine the potential value of each individual lead. Understanding the potential value of each lead will ultimately provide an accurate assessment of the success of your lead generation efforts.

Chapter 6: Introduction to Online Lead Generation Advertising

Online lead generation tactics differ somewhat from their traditional counterparts. The same general approaches and principles apply, but there are a number of other factors that need to be addressed when conducting online lead generation campaigns. First, there is the bidding process. Marketers purchase ad space for different advertising channels, including social media ads, search engine ads, and display ads on a cost-per-thousand basis through this bidding process.

Online lead generation also differs from its traditional counterparts in that marketers need to develop landing pages for each ad. Landing pages are the web pages that a prospective lead lands on when that lead clicks on an ad. There are a number of components to a successful landing page. The first, and most important, is the idea of a soft landing page. When a potential lead clicks through an ad to a landing page, that lead should see a page that reinforces the ad's message, not a page that delivers the "hard sell." Landing pages are also used to test campaigns, working as a unique measuring tool. Ultimately, online

lead generation is very similar to traditional lead generation. Except for a few additional components, many of the same principles apply.

Chapter 7: Social Advertising

Social media platforms offer many exciting opportunities for lead-generation marketing. However, it's important to differentiate between social media advertising and social media for marketing. Social media marketing involves placing regular content (i.e. company announcements, special offers, etc.) on a company's Facebook, MySpace, or LinkedIn page. Social media marketing is essentially an arm of brand awareness, it works to create a community around a brand, but that process rarely results in any actionable leads.

Social media advertising (or social advertising) involves placing Pay-Per-Click banner ads on Facebook, MySpace, or LinkedIn. These ads will appear in the margins of people who have listed certain demographics as part of their social media profiles (i.e. a tennis ad will appear on the Facebook or MySpace pages of people who have listed tennis as a hobby). Social advertising differs from social media marketing in that its focus is the generation of solid leads.

Social media platforms are great tools for lead generation because they contain a wealth of demographic and psychographic information provided by the users themselves. Therefore, this information is probably more accurate than if it were obtained from another source. This information can be leveraged to reach a targeted audience.

There are several steps to a successful social advertising campaign. First, define the target audience. Again, the abundance of demographic information that social media sites offer can be used to expedite this process. Second, create the actual ad. This is accomplished within each specific social media platform, and each platform has its own parameters. Third, set up the campaign; this includes bidding on ad space, setting a daily budget, and scheduling the deployment of ads.

Like every other lead generation tactic, testing is an important component of social advertising. Ads can be tested in several different ways. Different messages can be tested against one another, or the actual time of day when your ad is deployed can be tested. It is also possible to test within demographics. The key is to set a large enough budget so that responses to an ad can be properly gauged, and then launch multiple variations on the campaign to see which works best.

Chapter 8: Search Engine Marketing

Search Engine Marketing is the process of serving an ad in response to a query through a search engine. It's a great lead generation tactic, because it's affordable, effective, and it provides a variety of measurement tools that can be utilized to analyze the results of a campaign. The process revolves around the practice of bidding on keywords, so that when a person searches for terms containing those keywords, a targeted ad will appear in the search results. Ideally, marketers should bid on very specific phrases. This allows them to present an ad to a highly targeted audience. For example, the phrase "dental office space in Seattle" will target people looking for dental office space in Seattle. Additionally, using this level of specificity will also often result in lower bidding prices.

Once the marketer determines and bids on keywords, it is time to create the actual ad. Each search engine will follow a specific format depending on the platform being utilized. Once the ad is created, campaign parameters need to be set. This includes determining the budget, and scheduling the ads for deployment. Once the ad has run, it's time to analyze campaign results and make the appropriate changes.

Search Engine Marketing is interesting in that a marketer doesn't necessarily need to have an ad on the first page a search engine renders. Oftentimes, people will click through several pages of search results. Therefore, if an ad appears on the second page of results, it still has a high probability of success. This high probability of success solidifies Search Engine Marketing as a highly effective lead generation tool.

Chapter 9: Display Advertising

Display advertising is the process of placing ads on web sites that the target audience of the ad frequently visits. Display ads originated with the birth of the Internet. They began as a static combination of words and images, but have evolved into Flash animations and pop-up ads that appear when a certain website is visited. These ads represent many of the more innovative developments in advertising. Standards for these ads are governed by the Internet Advertising Bureau. This governing body is of extreme benefit to marketers, because it standardizes what could have rapidly become a very confusing and complicated task.

There are five steps to an effective display advertising campaign. First, identify the web sites where the ad will display. This can be as specific as determining the proper section of a website, for instance, the personal finance page of a business news website. Second, determine how to approach these sites. There are also different ways to purchase ad space on web sites. Marketers can work directly with web sites and content networks, with ad networks, or with campaign optimization agencies. Each of these different approaches has its own pros and cons, leaving the marketer to determine which approach fits the needs of a particular campaign.

Third, create the actual advertisement. Each website will have their own requirements for the kinds of ads they do and don't accept, which will usually reflect IAB standards. Fourth, determine how the click through rate will be measured. This is done in one of two different ways. Either build a unique landing page or insert a tracking cookie into the ad itself. Fifth, test the results. Different messages, web sites, and audiences can all be tested against one another to determine the success of a campaign.

Chapter 10: Selecting and Targeting a Mailing List

This chapter covers several concepts that apply to e-mail marketing, direct mail, and cold calling. E-mail and direct mail marketing campaigns begin with a mailing list -- a list of names and addresses, or e-mail addresses, for prospective customers. The marketer will send their marketing e-mail or direct mail piece to customers on the mailing list. Cold calling campaigns begin with a contact list -- a list of names and phone numbers of prospective customers that the marketer will call.

In either case, the marketer must select an appropriate mailing list or contact list that includes prospective customers who fall within the marketer's target demographics. If the marketer selects a list where the people do *not* fall into their target demographics (i.e. the marketer is marketing gourmet cat food, but uses

a mailing list of pet owners where most of the people on the list own dogs or parakeets), their e-mail or direct mail offer will be sent to many people who have *no interest* in their product or service, and their lead-generation results will be less than they had hoped.

Before selecting a mailing or contact list, marketers need to clearly define the *specifics* of their target audience. They should use specific demographic, psychographic, and geographic targeting to define the characteristics of their target customer. For example, if they are marketing memberships in an exclusive tennis club, their specific target customers might be tennis players with household incomes of \$50,000 or more per year. The more specific they get in defining their target customers, the more they can *target* a mailing or contact list that has *exactly* the types of customers who have a need for their products or services, and the more likely they are to send their offer to the *right* potential customers instead of the wrong ones.

In direct mail and e-mail marketing, marketers have the option to either buy or mail a mailing list of targeted customers. (In cold calling, they can only buy a list; they can't rent one.) To buy a list, they need to contact a reliable list owner. List owners are vendor companies that will create a list of target customers with contact information, based on demographics the marketer gives them. A purchased list is often less expensive than a rented list, but a purchased list is often less accurate (i.e. customer names and addresses will be out of date, or may not fit the target demographics) because a list owner often has no direct relationship with the target customers.

The marketer can also rent a list, in which they pay a fee to use a mailing list for a single campaign. For example, a marketer who is marketing tennis club memberships might rent a list of subscribers from *Tennis* magazine. Rented lists are often more expensive than purchased lists, but are often more accurate because the people on the list have "opted in" to receive special offers from the list owner (in this case, from *Tennis* magazine). For this reason, rented lists are often more cost-effective for the marketer than purchased lists.

A section in this chapter provides tips for how to negotiate prices for lists. Also, the chapter provides tips for how to pick a reliable list vendor, who will sell them a good list. The chapter also talks about the concept of the "Make Good," in which a list vendor will credit a marketer for bad names on a list (i.e. names where the marketer's e-mail or direct mail package was returned because the e-mail address or mailing address was out of date).

Finally, the chapter talks about how to "target" a mailing or contact list -- that is, how to narrow down the names even more according to target criteria, to create a "target universe" of customers who are most likely to be interested in the marketer's products or services.

Chapter 11: E-mail Marketing

E-mail marketing gives marketers an unparalleled ability to contact people who may not be familiar with a company's product. If marketers can target the right audience at the right time, with the right offer, that marketer may prompt that audience to purchase their product or request more information about their company. E-mail marketing also gives marketers the ability to completely control the experience that the recipient of their e-mail encounters. Marketers can control the look, feel, and content of their messages. Marketers can also control the time that message is sent. Unfortunately, for all the tools that the tactic

provides, e-mail marketing has gotten a bad rap, because many people perceive e-mail marketing messages as spam.

The spam epidemic reached such prolific heights, that in 2003, the federal government created the CAN-SPAM law, which is a set of legal guidelines for e-mail marketers. Following CAN-SPAM regulations is only one part of a successful e-mail marketing campaign, but it is of explicit necessity.

To launch an effective e-mail marketing campaign, marketers first need to rent a list of e-mail addresses. Marketers then need to identify the demographics of their target audience and communicate those demographics to the list owner, who will pare down their list so that the marketer has a selection of names that match their target audience. There are a variety of different characteristics marketers can use to find their correct audience, including demographic, geographic, and psychographic criteria. Marketers then need to develop their creative. This includes the e-mail message itself and a corresponding landing page. There are a variety of best practices associated with e-mail and landing page content and design.

Once the marketer has their creative assets in place, the marketer then needs to decide how to test their campaign. Marketers can test based on the budget the marketer has available, or the marketer can test based on scheduling. After the e-mails are deployed, the marketer should measure the results. The marketer should analyze open rates, click-through rates, and conversion rates with their test messages. Once the marketer determines which schedule, content, and audience best responds to the offer, the marketer can then follow through with the campaign on a larger scale.

Chapter 12: Direct Mail Marketing

Direct mail marketing is one of the tried-and-true lead generation tactics. However, in recent years, there has been some discussion around whether or not direct mail is still a viable tactic. Compared to e-mail marketing, direct mail is an expensive and low-tech tactic. Despite this, direct mail still offers ample opportunities for marketers. People tolerate junk mail in their mailbox more readily than unwanted e-mails in their Inbox; they perceive junk mail as a part of being a homeowner, as opposed to an invasion of privacy. Because of this perception, marketers can sometimes net a better response rate from a direct mail campaign than from an e-mail marketing campaign.

Direct mail campaigns start much like e-mail marketing campaigns. Marketers need to rent or buy a list of contacts. Rented lists tend to be updated more frequently and are therefore more accurate than purchased lists. Once the marketer has a list of targeted names, the marketer can then design their creative asset, the mailer. Direct mail is one of the few lead generation tactics that benefits from creativity. Marketers should try to create something that stands out from the rest of the mail that their potential customer receives. Doing so can greatly improve response rates.

Marketers can also personalize your direct mail pieces, by adding a personalized URL. This can greatly improve the experience of the recipient and improve conversion rates. Once the marketer has all their pieces in place, all the marketer needs to do is mail and track the results. For direct mail this is a relatively easy process. So, while direct mail can be expensive, if marketers offer the right amount of personalization and creativity, they can generate huge successes.

Chapter 13: Cold Calling

Cold calling is a lead-generation technique often perceived as old-fashioned. However, cold calling can net tremendous results due to its cost-effectiveness. Cold calling works best in Business-To-Business (B2B) marketing where the business has a limited number of potential clients. Cold calling follows some of the same basic principles as other lead-generation techniques.

First, define the target audience. Second, buy a contact list. (In cold calling, lists can't be rented; they can only be purchased.) Third, create your cold calling script. This is a critical part of the process. A well-developed script will effectively grab the recipient's attention and communicate the marketer's offer to the target audience quickly and efficiently. Fourth, execute and test the campaign. Testing is accomplished through a variety of methods, but the ultimate goal is to evaluate the Return On Investment of the campaign. Fifth, turn the recipients into leads.

In the digital age, this process becomes very exciting. Callers can provide recipients with URLs right on the telephone, effectively facilitating an immediate transaction. Additionally, if a recipient responds warmly to an offer, the call can be transferred to a sales person who will guide that lead farther along with the buying process. Finally, evaluate the campaign to determine if cold calling is a worthwhile strategy for your organization. Cold calling does have its negatives, but if utilized properly, the tactic can net fantastic results.

Chapter 14: Trade Shows

Trade shows are an incredibly-effective lead-generation tactic. The benefit of a trade show is that the people who attend a show are generally in the market for the product or service that the marketer's company offers. If the marketer approaches show attendees properly, trade shows can result in a tremendous volume of high-quality leads.

But trade shows are often an expensive undertaking. Many companies spend thousands, or even millions of dollars to make a lasting impression at a single trade show. Trade shows can be worth the money, if the marketer can properly calculate the Return on Investment of trade show attendance. There are several steps involved in that process. First, the marketer must pick the right show, one that will have a large number of attendees in the marketer's target audience. Many trade shows provide demographic information about their attendees to make this process easier. Second, the marketer needs to decide to what extent they will participate at that trade show. Marketers can exhibit with a booth, which gives you the excellent opportunity to demo your product in front of live attendees. However, exhibiting is the most expensive way to participate in a tradeshow.

Marketers can also engage in sponsorship opportunities at trade shows. These can vary in price and content. Sponsorships allow marketers to promote their brand to trade show attendees, driving attendees to a marketer's actual booth at the show. In addition to exhibiting and sponsorships, marketers can also pursue speaking opportunities at shows. Speaking is the best way to participate at trade shows. Speaking gives the marketer a sense of credibility. Show attendees see the marketer as an expert in their field, not someone giving a sales pitch. Unlike sponsorships and exhibiting, speaking engagements are free, but it is challenging to convince trade show managers that the marketer is the best person for the job. The variety

of ways that a marketer can participate in a trade show, along with the presence of overwhelmingly strong leads, positions trade shows as a solid lead-generation tactic.

Chapter 15: Integrating Your Tactics

The most effective lead generation tactic is the integration of all seven approaches. Integration delivers several benefits to marketers. Marketers can do all their planning up front and stage an entire campaign in a single stroke. Marketers can also create one message and theme, and then apply that message to all the tactics that the marketer decides to use. There are however, a few caveats. It's important to create a uniform campaign, and maintain the same budgetary goals throughout all the arms of that campaign. If the marketer wants to acquire customers for \$50 apiece, that marketer needs to keep in line with this budget throughout the campaign. It's also necessary to develop a way to measure each tactic against one another. This will tell the marketer specifically which tactic is working and which tactic isn't.

When a marketer's various tactics work together in synergy, the marketer achieves a Halo Effect, in which several tactics work in conjunction with each other to help drive leads to the company. For example, if a potential customer sees a search engine or social ad for the company's products, this creates an awareness of the company in the customer's mind. Based on this awareness, the customer may be more inclined to take a cold call from one of the company's marketing reps.

The more information the marketer can give to a potential customer through multiple channels, the better it is for the marketer's company. Communicating through multiple channels allows the marketer to build momentum for their brand, and may ultimately yield increased response rates. Ultimately, integration is the optimum marketing technique, by merging several different channels to deliver one comprehensive marketing message, an integrated campaign yields the greatest chance for lead-generation success.