



What is Lead Marketing?

Funnel Lead Marketing Directors, Peter Bell and Steve Cox, provide an introductory overview of this exciting and potentially lucrative new channel.

In a nutshell, lead marketing is the data-driven science of generating, qualifying, contacting and converting consumers who have requested information on your product or service.

Given that there are literally thousands of media opportunities across which marketers can allocate acquisition spend, determining where and when to most cost-effectively place brand contact points can be an expensive and occasionally even bewildering task. Arguably the most important USP of lead marketing is that it can remove a large degree of risk from the prospect generation equation. For in this brave new world, marketers only incur a cost when they are provided with opted-in contact information for consumers who have engaged with their brand(s). The cost and risk associated with identifying, qualifying and gaining these valuable consumer leads instead lies with the media owner.

As we'll explore in further detail below, lead marketing presents a whole new prospect-gathering paradigm.

How does lead marketing work?

A typical lead marketing campaign is very much a multi-channelled affair, inclusive of online initiatives such as search, banner advertising, affiliate marketing, e-mail and co-registration alongside more traditional offline channels such as DM, press advertising and electronic media (as examples). Ideally, all channels should utilise the same (or very similar) creative, in order to keep every channel on-message and mutually supporting. Lead marketing's proposition to consumers is essentially: 'If you are interested in our product or service, then provide us with your contact details and we will be in touch with further information.' Add some incentive into the mix (eg. a discount or prize draw), and every lead marketing campaign has the potential to attract sizable numbers of interested and motivated potential purchasers. Advertisers are billed on the opted-in, pay-per-lead basis as discussed above and only valid leads result in a cost to the advertiser.

What constitutes a valid lead?

This depends on what your campaign objectives are. As we've mentioned elsewhere on the Funnel website, make sure you set clearly defined expectations and realistic campaign goals from the lead marketing get-go. Without these, do not pass go and do not collect £200!

A good place to start when determining what constitutes a valid lead is by asking yourself: 'What do I need in order to entice consumers from expressing initial interest towards conversion and beyond?' For some brands, interest in the product and an e-mail address is sufficient; whereas other sectors may require more detailed information such as current product usage, contract renewal date(s) or even lifetime value indicators, like frequency of purchase. While others will need additional contact and matching information such as validated postal address or telephone number. The key is to establish what information is going to be the most critical in order to identify and convert your customers.

Another common requirement is to ensure that all new leads you acquire aren't for customers you already have. So working with a lead marketing partner or media owner who can cross-reference and validate all leads in real-time against your in-house file is imperative. The last thing you'll want is to be paying for data you already have.

Finally, there's the need to strike a balance between lead information which is deemed essential and what's an 'optional extra'. Asking too many questions or, worse still, inappropriate questions can be counterproductive, erode brand confidence and/or reduce the volume of leads. Try to avoid these lead marketing sins at all costs.

Why should I consider lead marketing as a viable option for my product or service?

Lead marketing represents a strategic opportunity for both short- and long-term client acquisition and retention. From small, tactical campaigns designed to generate quick sales wins to long term, multi-channel marcoms, the hallmarks of successful lead marketing include:

Maintaining accountability and measurability

Using the right software solution means that you should be able to track each lead from source and report on its performance in real time. This will save you both time and money by stopping any tests which are not working and diverting resources towards other target areas where you're having success. Further analysis will then allow you to identify subsets within these sources - thus enabling you to 'cherry pick' the best leads from each source in line with your campaign objectives.

Low risk acquisition strategy

Remember: No lead equals no charge.

An investment, not a gamble

Not all consumers buy at the point of first brand contact. With CPM media they either convert or not and the budget is spent. An awful lot can be spent for nil return.

Lead marketing, by contrast, gathers information and, most importantly of all, opt-in consent. Consumers who fail to

buy for whatever reason on first approach can be revisited with offer(s) later on. Today's discarded offer could meet consumer need perfectly some months down the track. Lead generation hence presents excellent value for money by allowing you to return to a bespoke pool of prospects as many times as required in order to make a sale.

Conclusion

Lead marketing has the capacity to inform and support your entire multi-contact campaign strategy. At a time when accounting for every pound spent is high on the agenda of just about every recession-bitten CEO, lead marketing empowers marketers with an unsurpassed ability to be both better targeted and ROI-optimised.

Let Funnel help you unlock the massive potential of multi-channel lead generation for your next campaign.

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The Lead Marketing Process



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