



IF IT IS BROKE...FIX IT

By Marc Pickren

The world of online lead generation is often fragmented and sometimes broken. If your company needs to fix it, a pioneer in the field has the nuts and bolts for putting it back together again. After all, all leads are not created equal.

Lead generation is fast becoming the darling of the Internet space. What other industry can boast annual growth in excess of 70 percent? In the last two years alone, we've witnessed just about every possible approach and methodology to generating leads both online and offline.

Of course, with growth comes challenge, and with challenges, opportunities. So while it seems like every day a new "agency" opens its doors attempting to cash in on this boom, those of us who have been living in the online trenches for awhile, now have gleaned a few helpful insights I'd like share with you.

Thanks to some of our esteemed Fortune 500 and Global Service Companies, we've come to realize that what our clients want and what this market needs most is transparency and integrity. Here are a few of our rules for the proper care and feeding of our valuable clients, as well as a proven methodology for determining the validity of an intended offer; and, in the end, maximizing the long-term potential of delivering the right kind of ROI from your advertising expenditures.

Rule #1: Don't Harm The Brand That Feeds You

Ask any advertiser who lives and breathes by acquiring new customers what they consider to be the biggest threat to their professional standing, and in most cases they'll say the need to control and monitor both where their message is displayed and what it says. Unfortunately, for many businesses, the real-life experience in this space has been fraught with inappropriate and/or non-value based placements by companies both large and small. I've seen publicly traded media companies place offers with second-tier vendors leaving little or no control over where their client's message appeared and worse, the specific contents of the message. If anything should be causing great alarm to advertisers, it is this utter lack of control of their brand's message. So first and foremost, be sure to scrutinize the wording of any insertion before taking the leap of faith into content-land. Ask yourself; is there any potential harm to our brand?

Rule #2: Be Sure Your Media Parts Add Up To A Whole

The primary focus of any lead generation strategy revolves around media mix and distribution. While we may have a collective definition of "lead generation," this is a business segmented into many parts, and our experience has shown that all leads are not created equal. We've established several tiers of value for each partner, network or web publisher, assuring that each disparate part adds up to a "holistic" strategy. Here are the questions any advertiser should ask their media agency of record and any associated vendors before committing funds to a plan:

- From where does the company get its traffic?
- Where will the offer be displayed?
- Will the offer be re-sold? If so, will I have approval over these networks in advance?
- Does the company receive traffic or benefit from other lead providers?
- How do they get their traffic?
- Do they buy media and deliver leads or do they buy leads from "partners"?
- How do they track "click-throughs" and referring URLs?
- Do they scale delivery slowly or deliver volume from the first minute, hour or day (known as "slamming")?



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Rule #3: Don't Let This Happen To You

Here's an actual case study: a large national mortgage company engaged a publicly traded media concern and entered into an agreement to buy leads. The program's cost was quoted as \$15.00 per lead. The advertiser looked at the network's website and determined that it appeared to have a very broad and capable media network. The advertiser did not question whether or not the offer would be re-sold, nor did it request that the offer only be displayed on top-tier properties (most media concerns have several levels of service and most large ad networks engage in the affiliate space). In addition, the advertiser trusted that the media network would never place the offer within sites that are solely based on ridiculous "freebie" content. Lastly, the advertiser forgot to request that there be a cap on the first two week's lead volume.

Result? Within two hours of going live, the offer was re-sold to a broad array of lower tier networks at \$10.00 per lead. These networks were not made aware of the display rules and placed the offer in many places that it should not have appeared. The offer was then resold again to an even lower tier network at an even lower rate of \$5.00, and that network was not even verifiable as a legitimate company. Within a week, the advertiser had 50 percent of the volume and the internal CRM or Sales Response Team struggled to sort through the volume. Then came the truly bad news, what we like to call "lead mutiny." The internal team did not respond or purged the data because it was of little or no worth.

Clearly, this advertiser proceeded wrongly and at the end of the day paid \$15.00 for a \$2.00 to \$5.00 lead. The advertiser was out tens of thousand of dollars. Additionally, they were soured on the process and found themselves trying to salvage the budget. Unfortunately, they unknowingly placed their offer in the larger market and will now find it difficult to obtain partners to generate leads at a new negotiated rate. The entire metric being used for that price was based on a flawed model, and therefore, only created a lessening of the price and a lowering of the bar. This type of program is non-sustainable and creates a continuum of diminished value.

Rule #4: Try This Best-Practice Approach

Our company uses a shared risk model. We approach a client on the basis of a fair price based on "display media buys." For example, if the latest media buy on Yahoo delivers leads at an average of \$78.00, we will take over the risk of buying the media and only charge the client a cost-per-lead fee of \$54.60 per lead or (30 percent off of their self directed media CPL). We are that confident that by cutting out middle companies and aggregators we can effectively deliver a high-quality lead that performs better in price and value, based on our "self directed" buys. In my experience, few companies are willing to bet their own buys that they can deliver a quality lead from their own investment.

To avoid any kind of brand damage we will often create a micro-site that is non-branded but exclusive. Think of how the pharmaceutical industry has created "condition" specific sites that are co-sponsored by the company. In our case, we will create the site and drive leads, thus giving the advertiser an opportunity to have arms lengths distance from the campaign.

An example: a highly regarded financial services company desires to generate 401k rollover consumer leads for their sales staff. The company approaches us and we develop a site called 401kSolutionCenter.com. The content and display assets are created in conjunction with the client; however, the client does not own the site. All leads sourced from the program are the exclusive rights of the financial services company. In this case, we have delivered leads from respected media, provided a rapidly deployed, un-branded site to serve an immediate need, delivered exclusive customer inquiries and done so at a lower cost than their media buys. Everyone wins.



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If we're engaged to buy "leads" in the broader market, we will create terms that ensure that no offers be resold nor will we be fooled into running into market segments that are not clearly defined. Furthermore, our click analysis will show the source of the lead "referrer". If it is found that the source is not a verifiable media concern or that the site is not constructed of information that shows relevant value, we will immediately take strong action against the concern.

We've have compiled a database of over 128 vendor/partners, and we place a limited number of value driven offers within the tier that is best suited for the offer. A coupon for \$1.00 off of laundry detergent should be placed in "shopper" or "value" sites. This is similar to where the product is displayed — in this case, a grocery store or super center. Clearly, an offer that deals with the financial security of a family should not be placed within this segment; rather, it should run on major websites and networks where click analysis can be applied.

In the end, we may test 30-50 offers per year on our shared risk platform and find that only three clients are prepared to enter into a sustainable, mutually beneficial relationship. For that reason, we won't supply "more of the same" to companies and advertisers that place their trust in us. We look for advertisers interested in sharing the risk and guaranteeing some reward together. Because there may be a lot of leads out there...but all leads are certainly not created equal.

For more information, please contact Greg Carter, Director of Marketing, at greg.carter@theleadstream.com

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