

# What is Lead Generation?

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**Lead generation** describes the marketing process of stimulating and capturing interest in a product or service for the purpose of developing a sales pipeline.

Lead generation often uses digital channels, and has been undergoing substantial changes in recent years from the rise of new online and social techniques.

In particular, the abundance of information readily available online has led to the rise of the “self-directed buyer” and the emergence of new techniques to develop and qualify potential leads before passing them to sales.

Online lead generation is one of the most cost effective and measurable ways to acquire new customers. It is all about getting contact information for potential customers who have requested information and showed interest in a product or service.

Ultimately lead generation is about customer acquisition. Not only is lead generation one of the most controllable and measurable forms of advertising spend; it also utilizes all forms of digital marketing.

It's a way of warming up potential customers to your business and getting them on the path to eventually buying your product or service. By showing an organic interest in your business, they are starting the relationship (versus the business), making it easier and more natural for them to want to buy from you somewhere down the line.

# What is a Lead?

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A lead is a person who has in some way, shape, or form indicated **interest in your company's product or service**. Meaning, instead of getting a random cold call from someone who purchased their contact information, the person will hear from a business or organization that he already opened communication and showed interest in their product or service.

For example, perhaps you took an online survey to learn more about how to take care of your car. If you got an email from the auto company that hosted the survey on their website about how they could help you take care of your car, it'd be far less intrusive and irrelevant than if they'd just called you out of the blue with no knowledge of whether you even care about car maintenance... right?

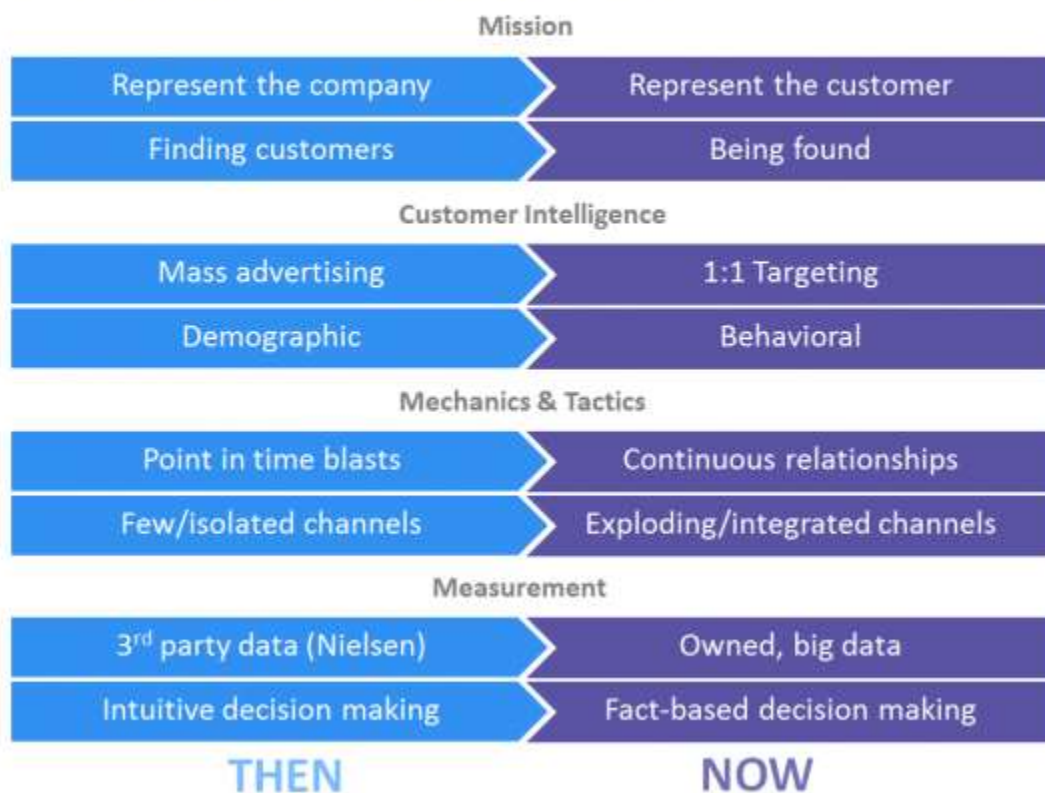
And from a business perspective, the information the auto company collected about you from your survey responses would help them personalize that opening communication to meet the existing needs of the potential client.

# Why is Lead Generation Important?

The buying process has changed and marketers need to find new ways to reach potential customers and get heard through the all the "noise".

Instead of casting a large net in order to find customers with mass advertising and email blasts, marketers must now focus on being found and learn how to build continuous and lasting relationships with their buyers and potential customers.

## Transformation of Marketing



With the growth of the internet, the world has changed from one of information scarcity to one of information abundance. The problem is that information abundance equals attention scarcity. This is known as attention economics.

This has transformed the buying process. Buyers are overwhelmed with all the noise and they are getting better and better at ignoring the messages they don't want to hear and researching what they do want to learn about on their own.

## Unprecedented Changes in Buying



Today, buyers can do their own research online and can find a variety of educational resources through search engines, social media, and other online channels. Through content resources, today's buyers can learn a great deal about a product or service before ever having to even speak to a sales person.

Clearly, there has been a huge change in the traditional buying process. In fact, according to Forrester, buyers might be anywhere from two-thirds to 90% of the way through their buying journey before they even reach the vendor. The reason

this is happening more and more is because buyers have so much access to information that they can delay talking to sales until they are experts themselves.

Creating a solid lead generation strategy will help you build trust and capture the interest of your buyer before they are even ready to contact sales.

Additionally, you don't want your sales teams spending time going down a list and cold calling. If you can generate leads for sales, the process is easier and you will see more of your leads being turned into revenue faster.

# How Lead Generation Works

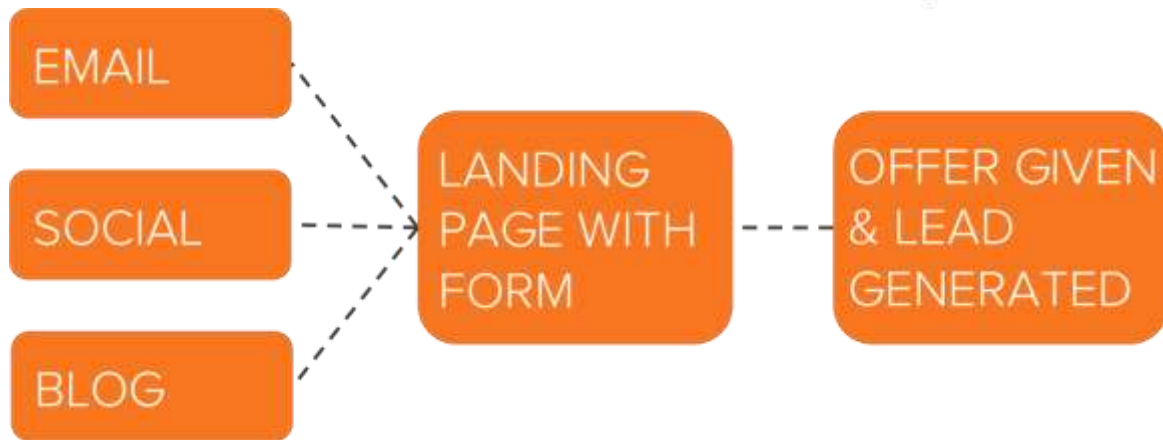
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Now that we understand how lead generation fits into the whole inbound marketing methodology, let's review the actual components of the lead generation process and how it works.

- **Landing Page:** A landing page is a web page a visitor lands on for a distinct purpose. While a landing page can be used for various reasons, one of its most frequent uses is to capture leads.
- **Forms:** Forms are hosted on landing pages. They consist of a series of fields that collect information.
- **Offer:** An offer is the content or something of value that's being offered on the landing page. The offer must have enough value to a visitor to merit providing their personal information in exchange for access to it.
- **Call-to-Action:** A call-to-action (CTA) is an image, button, or message that calls website visitors to take some sort of action. When it comes to lead generation, this action is to fill out the form on the landing page and redeem the offer.

Once you put all these elements together, you can use your various promotional channels to link and drive traffic to the landing page so you can start generating leads.

Here are some example pathways for lead generation:



## Payment Model

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Payment is usually based on a Cost per Lead (CPL) and advertisers should only pay for the leads that they receive.

It is important to emphasize that the lead generators are carrying the media risk as the advertiser is only paying for the leads they get. Therefore, lead generators have an objective to optimize every impression and only serve advertising where there are good conversions.

The advertiser buying a lead on CPL basis should not expect to get free branding or an additional search campaign but this is often a side-effect, with corresponding benefits.

# Types of Lead Generation

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Leads can be generated from a range of different marketing channels with the ultimate aim of getting consumers to submit their information to be contacted by the advertiser. Lead generation can be categorized depending on how targeted it is and this will have an impact on variables such as lead quality and lead price.

## Premium Lead Generation

Complete transparency between how the consumer is marketed to and the product or service offered by the advertiser. There should be no incentive for the consumer to leave their information apart from the fact that they will be contacted by the advertiser about the product or service in question.

## Incentivized lead generation

This type of lead generation is where the consumer has responded to some form of incentive to submit their information. This can be related to the advertiser's product or service (a free sample for example) or unrelated.

## Co-registration

This is the process by which consumers are responding to some form of marketing (usually incentivized) to register their information for a specific offer, often a competition or prize draw.

They are then presented with other offers from advertisers and asked if they would like to receive further information from them which they can do simply by ticking a box. They do not need to submit their data for each advertiser, as the data gathered for the first offer is on record and can be distributed later.