

Premium Lead Generation White Paper

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Introduction to Premium Lead Generation

This year has seen a considerable shift towards performance based advertising. Advertisers are gradually moving budgets from branding and looking at online to create new channels for customer acquisition. Premium Lead Generation is a very targeted form of lead generation as the consumer has not been incentivised in the initial marketing about the product or service in question. This form of lead generation has attracted interest from service based advertisers as it provides a non incentivised transparent method of acquiring new leads.

This white paper has been created by members of the IAB Online Lead Generation Taskforce to educate advertisers about the medium and provide a check list of what to look for when selecting a provider.

If you would like to join the taskforce or have any questions please contact Amit Kotecha, amit@iabuk.net

What is Premium Lead Generation, how does it fit into the Performance Driven Marketing Mix

A lead is a piece of information about a consumer who has stated they are interested in, and has given their express consent to be contacted about a product or service. This consumer has responded to some form of response-gearred marketing as they are in the market for the advertiser's product or service.

Premium lead generation offers complete transparency between how the consumer is marketed to and the product/service offered by the advertiser. There is no extra incentive for the consumer to submit their information apart from the fact that they will be contacted by the advertiser about the product or service in question.

Premium lead generation is also characterised by the accuracy and quality of information a consumer has to give before they submit their information. Typically, this will be a set of contact information such as full name, postal address, contact telephone numbers and email address. There will also be a variety of fields about the product or service that the consumer has to complete. These fields allow the advertiser to use filters to target their ideal customers but also qualify the consumers better as only the most engaged consumers will complete all the fields and become a lead.

As the consumer has not been incentivised, Premium Lead Generation is very targeted. This enables advertisers to receive the information of consumers that are most suited to their product or service.

In addition, premium leads should be generated and delivered in real-time which means the advertiser receives the consumer information in less than a second after the consumer has submitted their details online. This enables the advertiser to achieve a return on investment (ROI) in a short space of time.

Branded (Direct) vs. Unbranded (via 3rd party) lead generation

Brands can conduct their own Premium Lead Generation campaign (i.e. direct), or out source to a 3rd Party to implement a campaign on their behalf.

Branded lead generation

Branded lead generation is when the form used to capture the lead information is hosted directly by the advertiser. This can help to keep costs down as the deployment of campaigns can be an extension of existing Search, Display and Sponsorship activity, but it requires more overhead to manage and analyse.

Unbranded lead generation

Unbranded Premium Lead Generation can also be referred to as 'white-label' or a 'hosted' solution. This is an off-the-shelf, ready-to-use, lead generation product.

There are a number of benefits of using unbranded lead generation.

- a) For the Advertiser - this plug-in solution enables a brand to run a campaign immediately without having to invest in the technology that can automatically capture, validate and securely deliver the lead in to its CRM database, and provide real-time transparent reporting. It can be a quick route for a brand to reach a large targeted audience and start generating results immediately.
- b) For the Publisher - an unbranded solution may also be attractive to a publisher looking to monetise its traffic better or commercialise its content, without diluting existing revenue channels. It can also be a useful way for a publisher to build and manage its own database. An 'off-the-shelf' product from an experienced Premium Lead Generation company can deliver significant revenues, and add real value to the user experience by offering products and services that are of interest. It comes with real-time reporting which delivers daily, weekly and monthly reports.

The Premium Lead Generation market now

Many premium lead generation providers now focus on multiple product offer sites whereby the user part registers/applies for a specific product. Relevant data is recorded at this point and passed through to the provider in real time, who then converts the lead.

Furthermore, some premium lead generation companies have also introduced affiliate style tables to monetise click out traffic, i.e. instead of that lead going back to Google to run another search, they can see other providers for similar products. Typically it is presented in an affiliate style table of providers; taking the user through to that specific provider's site should they click on their brand/product. An example of this is Beat that Quote and Moneysupermarket, whereby money is generated from users just clicking on a link and going direct to a brand's website.

Tip: Always ask how the leads are generated and if you are buying them on an exclusive basis, i.e. the data only goes to you, or if that lead is also exposed to other providers after application....it will impact your conversion. This applies to lead generation sellers and lead auction models.

What sectors does Premium Lead Gen work best for

Premium leads are typically more expensive to generate than leads from other forms of lead generation. As there is no extra incentive for the consumer to click on an advert (e.g. non-premium leads might be generated through prize draws) there will be fewer consumers clicking on adverts which make it more expensive to buy the media to generate leads. Premium Lead Generation targets genuine prospects who are interested in receiving further information about a product or service.

Premium lead generation works best in verticals where revenue earned from a converted customer is high. One of the biggest verticals for premium lead generation is financial services as the revenues are high from converting the leads so the higher lead prices are justified. At the same time, consumers are often searching for advice about generic products and services so they are submitting their information to be contacted and advised about the products and services.

Premium lead generation works best in industries where there is a large asymmetry of information between the consumer and the end product provider. In sectors where this rule holds true, consumers are often looking to speak to somebody before making a purchasing decision which makes them more likely to fill in a form online.

In addition premium lead generation also works best when there isn't much online competition for a particular product or sector or there are large inefficiencies in the sector. Personal appearance and health related subjects are a good example of this.

Cosmetic surgery, laser eye surgery and cosmetic dentistry are all sectors which over the last few years have moved online, taking advantage of the consumer's appetite for self enhancement to spend money on themselves to improve their external appearance.

Areas less suitable for Premium Lead Generation are where barriers to entry are high and margins are very small, such as telecommunications, travel and FMCG.

How is Premium Lead Generation different from other forms of lead generation?

Premium lead generation typically costs more, but lead quality and the resulting life-time value of converted customers can be higher than standard lead generation techniques.

How?

No Incentivisation

All leads are strictly unincentivised. Leads acquired via Premium Lead Generation are genuine responses from consumers who are interested in a product or service and have given their express consent to be contacted.

Highly targeted

Targeted Ads can be placed alongside specific articles and features on premium (affluent) ABC1 sites ensuring relevancy, either through contextual placement or behavioural targeting e.g. serving a test drive ad on a review page of the specific model on a premium site, like TopGear.com

Transparency of lead origin

The origin of the leads is totally transparent. Leads are acquired at source (fresh and untouched) from premium ABC1 sites, and not second hand from paid for lists. The transparency of lead origin enables ongoing campaign optimisation and targeting.

Quality

All leads contain complete records of name, email, postal address and telephone number; and will have been automatically verified. The advertiser's chances of developing a successful CRM programme and active (loyal) database is improved significantly by recruiting premium leads in the first place, ensuring the data list is immediately ready for re-marketing.

Campaign Optimisation

Real time reporting tools, combined with real-time demographic analysis, enable different demographics for leads from different origins to be targeted and re-targeted. This means segmentation enables the buyer to focus on the most valuable leads, thus maximising ROI and minimising wastage.

One to one relationship

Campaigns tend to be run on a more bespoke basis, rather than bulk buys of inventory. A closer relationship exists with

- the advertiser and publisher (to achieve more targeted placement across specific channels whilst delivering measurable results)
- the lead, via:
 - confirmation email
 - follow-up email to track fulfilment of the product or service
 - survey email to capture added value marketing intelligence 2-3 months after the initial request for information

Premium Leads, Premium Price

The general rule is the higher the CPA, the higher the risk for the advertiser, and the higher the expectation of quality is set. The CPL for more affluent leads is set at a premium too. Targeting affluent potential customers means conversions have a higher Life-Time Value.

How are leads generated

Consumer journey

Leads can be generated through a variety of different online marketing methods but irrespective of which method has been used, the consumer journey is paramount to the efficacy of premium lead generation. The four main methods by which leads are generated are search, display, contextual placement and email.

Search

For search leads (paid and natural search) consumers are searching online for a particular product or service. When they have submitted their search query they are presented with a series of sponsored links/organic links about the product or service. All the marketing to the consumers should be related to the product or service in question and the marketing language should be such that consumers click on these links to find out more information about the product or service.

By clicking on the link, the consumer will reach a landing page with a data capture form which invites the consumer to submit their details in order to be contacted about the product or service. Once they have submitted their information a lead is created.

Display

For display leads, consumers are presented with an advert while browsing online. This advert can be in a range of formats from a simple banner to a more interactive creative. The advert invites the consumer to click-through to find out more information about the product or service. By clicking on the creative they will typically arrive at a landing page with a data capture form which invites the consumer to submit their details in order to be contacted about the product or service. Once they have submitted their information a lead is created.

Contextual Placement

For contextual placement leads, consumers are presented with a text link or an advert relevant to the underlying content on the web page they're browsing.

Email

For email leads consumers on an opt-in email list are sent an email containing a piece of creative which invites them to click-through to find out more information about the particular product or service. By clicking on the creative they will arrive at a landing page with a data capture form which invites the consumer to submit their details in order to be contacted about the product or service. Once they have submitted their information a lead is created.

Adding value to your acquisition customer strategy

Typically, those who set up or operate premium lead generation websites or portals are experienced online professionals with a wide experience in using multiple online channels and products to drive volume.

Premium lead generation can compliment rather than compete with your customer acquisition strategy.

Take paid search for example, a premium lead generation provider can also appear on the same keywords as yourself, effectively capturing traffic that may not have clicked on your brand. They can also bid on your brand, driving competitors out of the space, as well as bid on your competitor brands.

Premium lead generation providers are quick to understand which channels drive traffic and at what cost, their nimbleness often enables them to react and take advantage of online channels quicker than larger brands.

This nimbleness and experience of managing particular channels can increase your brands reach, acquiring leads from a broader selection of online sources, whilst you pay on a CPA basis and take none of the risk.

Tip: If you are one of many buyers that a premium lead generation provider is selling leads to, make sure they are evenly distributing leads from their online acquisition channels, (e.g. search, email, display). Each channel will have its own reject rate (good Vs bad leads) and an even distribution of leads across all channels ensures you won't get an above average reject rate.

Lead processing

Once a consumer has submitted their information, a lead is created but this is only the first step before a lead is passed on to the advertiser.

There should always be a layer of validation between the data submitted by the consumer and the point at which the lead is passed on to the advertiser. Validation is an essential component of lead generation. It involves ensuring that the details in every lead captured are accurate. 100% validation can never be achieved due to margins of human error when filling in a data capture form. However, the objective is to achieve as close to 100% validation as possible, and every effort should be made to reach this level.

However, it is important to note that every extra level of validation will increase the lead price and there will come a point where additional validation will not add any tangible value to the lead buyer.

Validation processes will vary between lead providers but there are a few basic requirements for all lead providers.

How “contactable” is your lead

One of the primary objectives for advertiser’s using premium lead generation is to make contact with the consumer as quickly as possible either through a call centre or similar process. The more “contactable” a lead is, the less wastage and cost there will be for the advertiser. Lead providers should have some systems in place to ensure that the contact information of the consumer is accurate.

One of the most basic checks is for the lead provider to invalidate any leads with incorrect phone numbers such as those with the wrong number of digits or incorrect number format. The same applies to post codes and any other information that can be validated in such a way. Some lead providers even integrate third party services where the consumer information is checked in real-time against databases to verify consumer contact information. The leads are then only passed to the advertiser if they have passed these tests.

Hoax data

Another simple check that should be utilised is checking consumer contact name details in real-time against a database of hoax names and characters such as swear words and leads are then invalidated if they contain any words or characters in the database.

Relevance to advertiser

In addition, there can be some validation with regards to how the consumer has responded to questions about the product or service. For example, for laser eye surgery leads there may be a question that the consumer has to answer such as “do you wear glasses or contact lenses?” Laser eye surgery companies only target consumer that wear glasses or contact lenses so if the consumer answers “no” to this question then the lead will be invalidated and not passed on to the advertiser.

Filtering

The final part of lead processing for the leads that pass through the validation process is that leads must be matched to the advertiser based on the customer profile that they have pre-defined. For example, if the form captures postal code information and the advertiser wants to target customers from a certain geographical area, the lead provider should ensure that the advertiser only receives leads from these corresponding areas.

Lead delivery

Real-time leads

Lead delivery should be such that the advertiser will maximise their return on investment from lead generation. If the advertiser is paying for leads generated in real-time and the consumer is expecting to be contacted within a short period of time after submitting their information then lead delivery should be set up to reflect this.

For example, if the advertiser is buying finance leads and has an outbound call centre to follow up these leads using a predictive dialler then leads should be delivered straight into the dialler to minimise any time lag between the consumer submitting their information online and the lead being contacted.

It is also paramount that leads are delivered in a secure way to protect consumer privacy and adhere to data protection laws. This can be achieved through a variety of encryption methods.

Non real-time leads

Real-time leads are usually more expensive than non real-time leads as there are significant commercial advantages to real-time lead generation as the advertiser can contact the consumers when their interest is greatest which will increase conversions and ROI.

Advertisers may also choose to purchase leads that are non real-time or buy leads generated in real-time but delivered in a batch at a later date (for example at the end of a business day). Not every advertiser will have a system to automatically receive leads, meaning that there is no way to follow up these leads quickly. In this scenario advertisers should ensure that leads are delivered in a format that will enable them to follow up each lead in the desired way. For example, leads purchased for an email campaign could be delivered directly into a CRM system.

Advertiser considerations

How much should I pay for a lead?

The price of a lead or the Cost Per Lead (CPL) is dependent on the type of product and the level of consumer interest (basic demand and supply). The CPL aims to be at or below the advertisers target Cost Per Acquisition (CPA)

Two finance examples:

1. Higher value products for high net worth consumers (e.g. Wealth Management, Derivatives based Brokers etc)			
CPL	Sales team converts	Equivalent CPA	Target CPA
£20	11%	£181	£200

2. Lower value products for broader demographic (e.g. Child Trust Fund, Child Saving Plans etc)			
CPL	Sales team converts	Equivalent CPA	Target CPA
£8	9%	£89	£100

N.B. Offers promoting multiple products may offer lower CPL with a correspondingly lower level of conversion, generating roughly the same ROI for the advertiser.

The range of products in other verticals, including automotive, consumer packaged goods and travel, can vary widely in terms of CPL and level of conversion.

How to get the most out of your leads?

If you are receiving a reactive lead, there is a chance that lead will go back into the market and continue searching for a provider until they are contacted.

This is especially likely if you are purchasing from a premium lead generation provider who also cross sells related products/services once the customer has entered all their details and submitted them. This is typically called click-out traffic.

To get the most out of your leads you need to be in contact with them as soon as possible, however, before this, consider some of the steps both a lead generation provider and you (the buyer) can do to achieve maximum conversion.

When the consumer submits their details on a website, they need to be told where those details have gone, who will be in contact with them and when. This will reduce the risk of the consumer searching or clicking on other (click out) providers and more importantly they will expect to be contacted by you.

1. Ensure the lead is delivered in real time and that you have the capacity to react and contact that lead as soon as possible. 'Hot leads', as they are often described are ready and waiting to be called. The sooner you contact them, the sooner the search and supply loop is closed and your sale is made.
2. Ensure you can provide feedback to your premium lead generation providers as to what leads are working and what are not. This will enable them to optimise the acquisition strategy.
3. If you are getting leads in from multiple providers, you must be able to clearly demonstrate a time stamp system, whereby if you receive duplicate leads, the first one in your system is paid for and the others are not. Sellers of leads need to keep track of their reject/duplicate leads.

Tip: View your premium lead generation providers as potential partners for your business, if it works for both parties involved, you will continue to get good quality leads and service.

How should leads be managed

Good lead management is fundamental to the success of any lead generation campaign. It is important to remember that although the ultimate metric for lead generation is return on investment (ROI), the more leads the advertiser contacts, the more leads will convert into business and the higher the ROI. Good lead management will increase contact and conversion rates.

Even though premium leads should be generated and delivered to the advertiser in real-time – it might still take time to make initial contact with the consumer. For example a consumer might be searching online on their lunch break at work and submit their information to be contacted about a product or service. When a lead is created and passed onto the advertiser, it is best practice to contact the consumer as quickly as possible but the consumer might have only left a mobile phone number which they can't answer in their office or they might have left their home phone number.

Advertisers buying premium leads should have the processes in place to deal with these types of scenarios and ensure they have contact programmes to maximise contact rates and conversion rates both in the short and long term. Good lead management will also ensure that all leads that haven't converted into business are transferred into a database where they can be used for remarketing to at a later date. Over time there will be incremental conversions which will increase the return on investment from the initial spend.