



Lead Gen Math: Marketing Metrics For A Better ROI

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LeadsCon West
Las Vegas, NV

Tuesday,
March 25th, 2014



Part I

WHAT IS LEAD GEN MARKETING?



What Is Lead Gen Marketing?

1

**Finding
“hand-raisers”**

From “what do they do” to
“I’m ready to buy”

2

**Ensuring
qualified buyers**

Can they buy
and will they?

3

**Getting them into
the sales funnel**

Finally making
a sale

What's a Lead?



Someone who is properly qualified and likely to buy

- B Budget:** Do they have the budget?
- A Authority:** Do they have authority to buy?
- N Need:** Is there a sense of urgency?
- T Timing:** What's the timing?

7 Types of Lead Generation



Outbound



Email



Direct Mail



Cold Calling



Inbound



Search Engine



Social Marketing



Tradeshows



Display

What's Not Covered





Part II

MATHEMATICS OF MARKETING



Mathematics of Marketing

Your success can be measured mathematically to demonstrate success

Your success must be measured to keep your job

I'll teach you the math!



Lead Terminology

CTR - Click Through Rate

ML - Marketing Lead/Action

MQL - Marketing Qualified Lead/Action

SO - Sales Opportunity

SQO - Sales Qualified Opportunity

WD - Won Deal

Cost Terminology

CPM - Cost per Milia/Thousand

CPL/A - Cost per Lead/Action

CPO - Cost per Open

CPC - Cost per Click

CPWD - Cost per Won Deal

LTV - Lifetime value

ROMI - Return on Marketing Investment

Calculating CPL/A

How much does it cost to win a single qualified lead?

Cost Per Lead/Action

\$\$ per Campaign

ML or MQL

Calculating CPO

How much did it cost for each qualified sales opportunity?

Cost Per Opportunity

\$\$ per Campaign

SO or SQO

Calculating CPWD

How much did it cost for each deal won by the sales team?

Cost per Won Deal

\$\$ per Campaign

WD

Calculating LTV

How much a customer spends while they are an active customer?

Customer Lifetime Value

\$\$ spend per transaction

×

no. of transactions per term

×

no. of terms



Calculating ROMI

When does the marketing expense get paid back?

- **Return on Marketing Investment**

Revenue

•
\$\$ of campaign

Putting It All Together

Assumptions: **Email Campaign**

1% **CTR** 15% Conv. Rate



\$100 **CPM** x 100,000 email addresses = \$10,000 budget

100,000 email addresses x 1% **CTR** = 1,000 clicks

1,000 clicks x 15% Conv. Rate = 150 leads

\$10,000 budget / 150 leads = \$66 CPA



Part III

5 STEPS OF A LEAD GEN CAMPAIGN



5 Steps of a Lead Gen Campaign

- 1 Determine and plan your approach
- 2 Research your target customer
- 3 Build your assets
- 4 Execute your campaign
- 5 Measure results



1: Determine & Plan Your Approach

Who
is your
target
customer?



What
are your goals/
projected
outcomes?



How
do you
measure
success?



2: Research Your Target Customer

Are you going after businesses or consumers?



For the business target:

- What job title?
- What size of company?
- What industries?



For the consumer target:

- What age, gender, marital status?
- What income, home ownership, presence of children?



3: Build Your Assets

- What assets are required to execute the tactic?
 - Email creative?
 - Landing page?
- What's your value proposition?
- What's your call to action?
- What are you offering to sweeten the deal?



4: Execute Your Test Campaign

- ✓ Test small, but not too small
- ✓ Test 2-3 times
- ✓ Be prepared to measure
- ✓ Have a thick skin

Your first test will fail



5: Measure Results

**Measure
EVERYTHING**



Part IV

ACTIVE LEAD GEN TACTICS



Active Lead Gen Tactics



**Email
Marketing**



**Direct Mail
Marketing**



**Cold
Calling**

Email: Overview



Emailing to 3rd party permission based email lists with the goal of acquiring new clients

Pros

- Cost effective
- Highly scalable
- It works

Cons

- Tainted reputation
- Lots of bad actors
- Volume game

Email: 6 Steps



1. Find reputable list vendors that you can rely on
2. Target deeply, but not too deeply (consider the influencers)
3. Create compelling email creative using best practices
4. Make a landing page that works with the email creative
5. Have a strong subject line and compelling offer
6. Track everything

Email: Measure



- Negotiate best possible CPM, avoid CPC deals
- Focus on CTR, Conv. Rate (who cares about open rate?)
- Measure CPL/A by list source

CPMs can always be re-negotiated once you assess performance

Email: Case Study



What are the costs for an email campaign?

Email list rental for 100,000 names @ \$20 CPM = \$2,000

ESP fees for 100,000 names @ \$1 CPM = \$100

	%	Targets
Delivery Rate	95%	95,000
CTR	2%	1,900
Conv. Rate	15%	285
MQL	80%	228
Campaign Cost		\$2,100
CPL		\$9.21

Direct Mail: Overview



Sending a mail piece to 3rd party postal lists with the goal of acquiring new clients

Pros

- High response rates
- Best foot forward
- Indirect strategy

Cons

- Older tactic
- Expensive to deploy
- Difficult to measure

Direct Mail: 5 Steps



1. Find reputable list vendors that you can rely on
2. Target deeply, but not too deeply (consider the influencers)
3. Create compelling direct mail piece that is clear
4. Try to drive to a measureable online experiences
5. Try dimensional mail to add gravitas to your presentation

Direct Mail: Measure



- Track number of mail pieces that go out vs. those that get returned
 - This is your delivery rate
- Drive to a trackable call to action (e.g., landing page, 800 number)
 - This is your click through rate
- Measure the conv. rate as you would any other tactic

Direct Mail: Case Study



What are the costs for an direct mail campaign?

Postal list rental for 10,000 names @ \$10 CPM = \$100

Printing fees for 10,000 pieces at \$0.35 = \$3,500

Stamps for 100,000 pieces at \$0.17 = \$1,700

	%	Targets
Delivery Rate	90%	9,000
CTR	20%	1,800
Conv. Rate	25%	450
MQL	90%	405
Campaign Cost		\$5,300
CPL		\$13.08

Cold Calling: Overview



Calling down on a 3rd party phone list with the goal of acquiring new clients

Pros

- Can be effective
- Indirect strategy
- Quick to qualify

Cons

- Angers many
- High volume game
- Be wary of regulations

Cold Calling: 5 Steps



1. Make script quick and friendly
2. Be prepared with a voicemail script
3. More clarifying, less salesy
4. Qualify as much as you can
5. Best combined with an email campaign, or as a follow up

Cold Calling: Measure



- No. of calls made
 - Think of this as emails delivered
- No. of leads qualified in
 - Think of this as CTR
- Cost per campaign includes
 - Cost of list
 - Salaries and overhead

Cold Calling: Case Study



What are the costs for a cold calling campaign?

Calling list for 10,000 names
@ \$10 CPM = \$100

40 hours to call 250 names
per hour at \$20/hour = \$800

4 calls to qualify a name

	%	Targets
Delivery Rate	60%	6,000
CTR	33%	1,980
Conv. Rate	25%	495
MQL	100%	495
Campaign Cost		\$3,300
CPL		\$6.67



Part V

PASSIVE LEAD GENERATION



Passive Lead Generation



**Display
Advertising**



**Search
Engine
Marketing**



**Social
Media
Marketing**



**Trade
Shows**

Display: Overview



Serving an targeted ad on a digital property with the goal of acquiring new clients

Pros

- Strong economics
- Pay for performance
- Promotes brand

Cons

- People are de-sensitized
- Significant volumes required
- Lots of competition

Display: 3 Steps



1. Ensure that brand/theme are carried out through experience
2. Don't forget the value proposition and strong call to action
3. Take advantage of newer innovations like retargeting, ad marketplaces, etc...

Display: Measure



- Measurement is mature in this industry, take advantage of those tools
- Don't stop at CTR, analyze through to CPA and CPWD
- But don't forget to always tie it back to the ROMI

Display: Case Study



What are the costs for an email campaign?

\$1,000 = \$1 CPM (per thousand impressions)

\$2,000 in Creative Costs / placement fees

	%	Targets
Delivery Rate	100%	1,000,000
CTR	0.25%	2,500
Conv. Rate	15%	375
MQL	80%	300
Campaign Cost		\$3,000
CPL		\$10.00

SEM: Overview



Serving sponsored links on a search engine with the goal of acquiring new clients

Pros

- Strong economics
- Pay for performance
- Lots of eyeballs

Cons

- People are de-sensitized
- Lots of competition
- Can get expensive

SEM: 3 Steps



1. Focus on the long-tail keywords, the more the merrier
2. Take advantage of dynamic content to customize the value prop to the searcher
3. Always be running a/b split tests to ensure the most competitive offering

SEM: Measure



- Thanks to Google and Bing, measurement is mature in this industry, take advantage of those tools
- Don't stop at CTR, analyze through to CPA and CPWD
- But don't forget to always tie it back to the ROMI

SEM: Case Study



What are the costs for an email campaign?

Budget \$5,000 = CPC \$2.50

No creative fees

	%	Targets
Delivery Rate	100%	100,000
CTR	2%	2,000
Conv. Rate	25%	500
MQL	80%	400
Campaign Cost		\$5,000
CPL		\$12.50

Social Marketing: Overview



Serving sponsored links on a social sites with the goal of acquiring new clients

Pros

- Pay for performance
- Economical
- Great targeting

Cons

- Still evolving
- Best for B2C
- Success TBD

Social Marketing: 3 Steps



1. Exploit the deep targeting capabilities
2. Use humor or imagery to sell the ad
3. Be cautious – this tactic doesn't work for everyone

Social Marketing: Measure



- Measurement tools are emerging; lots of competitors/options
- Don't stop at CTR, analyze through to CPA and CPWD
- But don't forget to always tie it back to the ROMI

Social Marketing: Case Study



What are the costs for an email campaign?

Budget \$3,000 = CPC \$1.50

No creative fees

Only for B2C (Facebook)

Only for B2B (Linkedin)

	%	Targets
Delivery Rate	100%	100,000
CTR	2%	2,000
Conv. Rate	20%	400
MQL	60%	240
Campaign Cost		\$3,000
CPL		\$12.50

Trade Shows: Overview



Setting up a booth at a targeted tradeshow with the goal of acquiring new clients

Pros

- Efficient
- Qualifies fast
- Builds brand

Cons

- Expensive
- Often mishandled
- Labor intensive

Trade Shows: 5 Steps



1. Ensure compelling booth, giveaways
2. Train and expect more of your sales staff
3. Make use of sponsorships and specialty packages
4. Track every business card that comes in
5. Follow-up, follow-up, follow-up

Trade Shows: Measure



- Ask how many visitors to the floor (this is your delivery rate)
- Count the number of business cards collected (this is your CTR)
- Bucket them in As, Bs, and Cs
 - A. They're hot, follow up immediately
 - B. They're qualified, follow-up within the week
 - C. Not qualified, put them on the drip (maybe good referrals)

Trade Shows: Case Study



What are the costs for a trade show campaign?

10x10 Space = \$3,500

Booth Rental = \$1,500

Travel (3 people) = \$3,000

Tchotchkes = \$1,000

	%	Targets
Delivery Rate	100%	5,000
CTR	20%	1,000
Conv. Rate	50%	500
MQL	100%	500
Campaign Cost		\$9,000
CPL		\$18.00

Comparing Apples to Oranges

	Email	Direct	Cold Calling	Display	SEM	Social	Trade Show
Delivery Rate	95,000	9,000	6,000	1,000,000	100,000	100,000	5,000
Clicks	1,900	1,800	1,980	2,500	2,000	2,000	1,000
Conv.	285	450	495	375	500	400	500
MQL	228	405	495	300	400	240	500
Campaign Cost	\$2,100	\$5,300	\$3,300	\$3,000	\$5,000	\$3,000	\$9,000
CPL	\$9.21	\$13.08	\$6.67	\$10.00	\$12.50	\$12.50	\$18.00

Halo Effect / Lift

Tactics work fine
by themselves,
but better in
conjunction with
one another

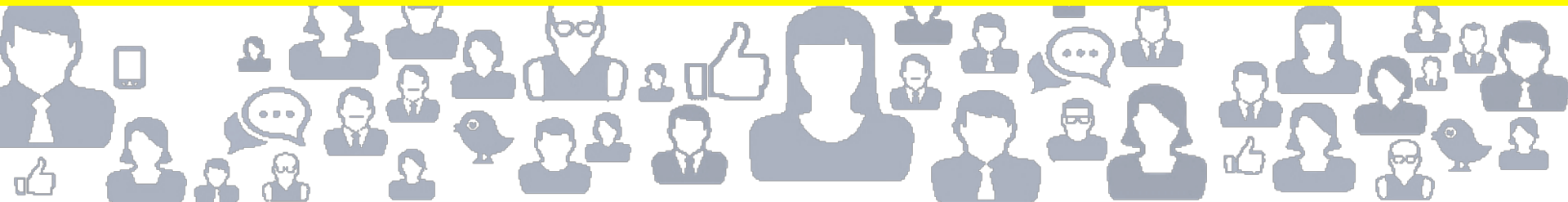
Single tactic
performance can
increase when
multiple tactics
are in play

But how do you measure attribution?



Part VI

PUTTING IT ALL TOGETHER



Putting It All Together

- Most tactics are viable for most businesses
 - There are no reasons to stick with only one
 - Old school tactics aren't dead (e.g., direct mail)
- You should have as many tactics running
 - Have 2 or 3 in production
 - Always testing 1 or 2 more
- Use marketing mathematics to see which tactics are working
- Test, test, test



Deciding What's Next

- How many tactics do you have deployed?
- What are your economics? Can you do better?
- What's your test plan for new tactics?
- What are you waiting for?

Q&A

What can I answer for you?





Thank You

The New Rules of Lead Generation

www.the-new-rules.com

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