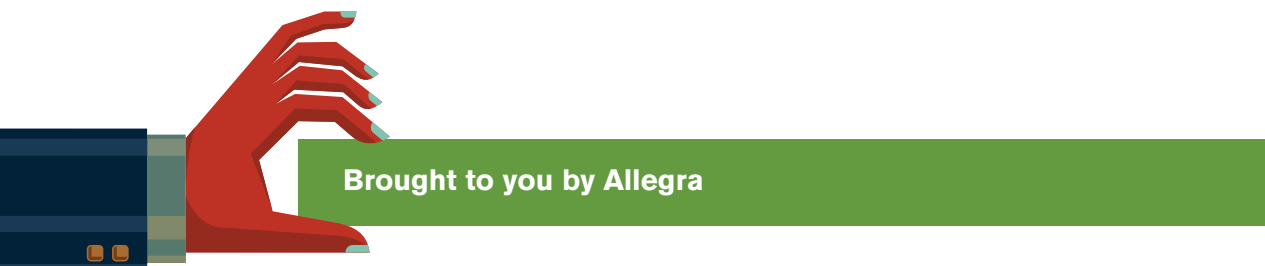




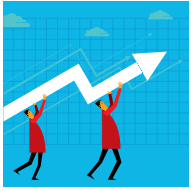
THE SMART MARKETER'S GUIDE TO LEAD GENERATION:

**Best practices and case studies
to secure more leads and more dollars**





Brought to you by Allegra



Setting the Stage for Lead Gen: Understanding Today's Buyer

The digital explosion of the past several years has caused a significant shift in consumer behavior and dramatically altered the way buyers and donors decide how and where to spend their money.

With the wealth of materials available online via search engines and social networks, your prospects are searching for and learning about your product and service offerings, your organization's reputation and history and even engaging with your customers before ever contacting your sales department or walking into your business.

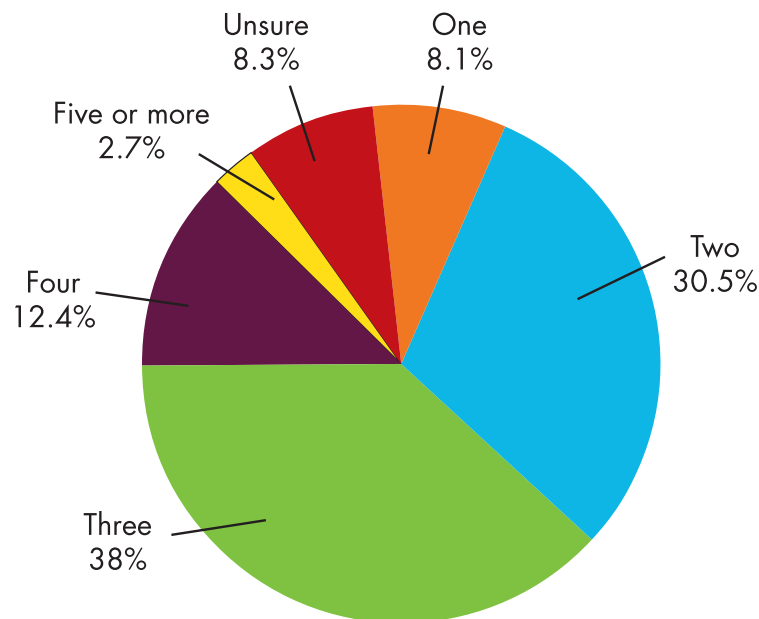
This shift has created a more empowered buyer, less interested in the cold sales call and more apt to seek solutions and information on their own terms. Inbound lead activity (where a prospect finds you) now generates slightly more volume (52%) than traditional outbound lead building (where you actively seek prospects), meaning control is nearly evenly balanced.¹

It has also created a cross-channel reality where your customers and donors will engage with you in multiple ways, driving most direct marketers to use two-to-three channels to reach their campaign targets. (See chart.)

Studies show cross-channel marketing can improve response rates by as much as 35%.² What's more, cross-channel shoppers spend up to 10 times more and are 25-50% more profitable than those who rely on a single medium to make their buying decisions.³

In this guide, we'll talk about how to segment your market to target leads more effectively. We'll look at lead generation best practices and channels being used by B2B, B2C and nonprofit marketers. We'll discuss specific channel strategies you can implement, illustrated by case studies of successful campaigns. Finally, we'll talk about the importance of lead nurturing across channels to move your prospects forward in their decision to spend their time and money with you.

Number of Media Types Used in Direct Marketing Campaigns



InfoTrends, *Capturing the Cross Media Direct Marketing Opportunity*, 2010

¹ MarketingSherpa, *Lead Generation Benchmark Report*, 2012

² InfoTrends, *Capturing the Cross Media Direct Marketing Opportunity*, 2010

³ iProspect, *Omni-Channel: The Marketing Evolution that Changes Everything*, 2013



Targeting the Right Prospects

Strategic lead generation starts with identifying the people who are most likely to turn into buyers, donors and ongoing customers. Yet few organizations use the data they have to do this effectively⁴:

- **23%** say they are “highly effective” at discovering new insights from data.
- **18%** emphasize data-based decision making.
- **16%** report applying a scientific approach to market research.

Fortunately, it's become more affordable and easier to append the information you do have to build a more robust customer profile. Armed with this new information, you can better

identify the attributes of your best customers, and plan your marketing strategy to go out and find more like them:

B2B companies will learn what company type, location, size, annual sales, number of employees or industries are most likely to buy from you.

B2C companies and nonprofits will learn your customer and donor base's demographic and lifestyle characteristics like age, income, gender, residency, interests or affiliations.

Analyzing your customer data doesn't have to be a daunting task. Ask us for help using our CustomerCLICK™ analysis that will quickly and effectively give you the rich insights you need to put together a winning marketing campaign.

How Much Should You Spend for a Lead?

The cost of a high-quality lead varies by industry type and what you sell. How can you set a budget to ensure your lead generation activities don't outpace the value of the new customers it produces? Determine your level of investment by looking at the average lifetime value (LTV) of a customer which is the projected revenue generated during the lifespan of your relationship. Here's a basic formula:

(Average Value of a Sale) X (Number of Repeat Transactions) X (Average Retention Time in Months or Years for a Typical Customer) = Lifetime Value

Using this formula, here's an example of a housekeeping service whose typical customer spends \$200 per month over five years:

\$200 X 12 (months) X 5 (years) = \$12,000 LTV

Rather than calculating the number of single purchases needed to break even on a campaign, consider the repetitive nature of your sales to measure ROI.

For the housekeeping service example, a \$10,000 direct mail campaign using a one-time sale value of \$200 would require 50 new customers to break even. Using the true LTV, one new customer actually pays for the campaign and is a more accurate representation of the impact the program has on your business.

LTV will vary by business and industry, the length of the sales cycle, acquisition and retention costs.



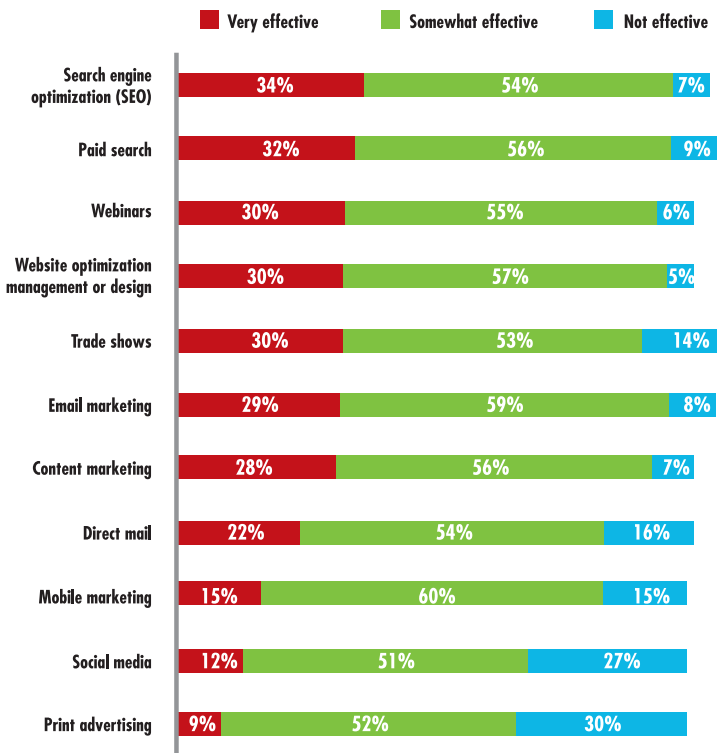
⁴IBM Center for Applied Insights, *Marketing Science from Descriptive to Predictive*, 2013



Channel Trends for Lead Gen

As we know, prospects will likely engage with you on a variety of channels before making a purchase decision. The channels that are most important to this process vary by industry, with some being more effective in **building awareness** and others better at **driving the sale**.

Effectiveness of Lead Gen Activities Ranked by B2B and B2C Marketers



2012 MarketingSherpa Lead Generation Benchmark
Survey Methodology: Fielded January 2012, N = 1,915



Nonprofit Appeals

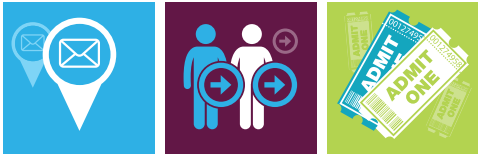
Traditional media ranks higher over digital channels for finding new donors, while digital interaction is more highly favored by younger donors, not surprisingly.⁵

Timing is Everything

Be aware of the cyclical or seasonal nature of your prospect's interests and decision making when planning your campaigns if you are selling time-sensitive products and services.

- **Enrollments** – Marketing a summer camp program? Offer parents a guide on how to choose the right summer camp for their kids. If you provide this in early spring, you can stay top of mind throughout the planning and selection process.
- **Seasonal Sales** – Have a landscaping service? Get your information into prospects' hands well before the spring planting season. Try a pre-season incentive along with some sound advice on how to prepare your yard and home for the coming season.
- **Budgets** – Come tax time, it's too late to reach the accounting departments of your B2B prospects. Reach out to your list early in the fall with year-end tax saving strategies and advice, so they'll look to you when it's time to file.

⁵ Convio, Edge Research and Sea Change, *The Next Generation of American Giving*, 2010



Three Case Studies: Direct Mail, Referrals and Live Events

Your lead generation plan will likely blend activities to “go where they are” (outbound) and “be where they come” (inbound). Over the next several pages, we’ll look at three channel-specific case studies of successful lead generation: two outbound campaigns – direct mail and a live event – and one inbound strategy, a referral program.

Direct Mail Delivers, Time and Again

Direct mail marketing remains a powerful medium for connecting with your prospects, whether you are a B2B, B2C or nonprofit:

- As a B2B channel, direct mail has the best ROI compared to telemarketing, search engine marketing and social media for both customer acquisition and retention.⁶
- Direct mail returns an estimated \$12 for every dollar spent in both B2B and B2C environments.⁷
- For B2C marketers, mail is highly valued for its impact, with 80% of consumers looking at their daily mail as a valuable news and information source.⁸
- Among nonprofits, direct mail ranks as the top driver of donations.⁹

⁶Target Marketing, *Annual Media Usage Survey, 2011-2012*

⁷Direct Marketing Association, *The Power of Direct Marketing, 2011-2012*

⁸USPS, *2011-2012 Mail Moment Survey*

⁹Convio, Edge Research and Sea Change, *The Next Generation of American Giving, 2010*

How do you know if you have the right list? Each list type has its own particular advantages:

- House file – These are the people with whom you already have a relationship and are 5-10 times more likely to respond to your campaign than any other list.
- Response lists – These are people who have responded to some other marketer; for example, magazine subscribers, event attendees, charitable donors or mail order buyers. These lists will pull response at three to five times the rate of a compiled list and are good for targeting by market segment, industry or interest.
- Compiled lists – Culled from phone directories, government records or other data sources, they usually respond less frequently than your house list or a response list but can be an effective way to cover a large portion of your market.

When planning to rent response or compiled lists, use the data you gathered by analyzing your current customer list (see page 4) to help ensure you are targeting the right prospects.



The Direct and Digital Integration Two-Step

Boost direct mail response rates by adding a digital component:

1. Make it interactive.

Marketers are enhancing direct mail with QR (Quick Response) Codes. With a QR Code, mail recipients can immediately respond to an offer or get more useful information with a quick scan using their smartphone. Just make sure wherever you drive them is mobile-friendly and consistent with the campaign.



Case Study #1: Great Offer, Great List Drive Direct Mail Campaign



Targeting the right prospects with a relevant and intriguing offer that spurs action is the basis of a successful direct mail campaign. Free information, a money-back guarantee, special sale terms or a free trial – all are proven offers that drive response for B2B or B2C marketers.

To find new outlets for their new hydration packs, running gear maker Orange Mud mailed postcards offering a sample hydration pack to a targeted exhibitor list of 662 running store owners across the U.S. Having done email marketing previously, Orange Mud was thrilled with the direct mail results:

- Within two weeks, they received 30 requests for samples and \$2,500 in orders.

- An additional estimated \$10-20K in orders were pending two weeks after the initial mailing.
- Overall the campaign had a response rate of 4.5% over three weeks, exceeding the Direct Marketing Association's average for lead gen campaigns of 1.2%.
- The campaign broke even on costs in the first two weeks, with an overall ROI of 300% in the first four weeks.
- Orange Mud succeeded thanks to the right targets, the right message and a compelling, high-value offer.

2. Get personal and give choices.

According to the Direct Marketing Association, 43% say they prefer to respond to direct marketing online. Add a personal response mechanism, like a personalized URL (PURL) to a printed piece, thanks to the flexibility of digital printing. By swapping out content and images, each piece and Web landing page can be relevant and personalized to each recipient. The result? A precisely-targeted, highly-individualized cross-channel campaign that provides recipients with a fast and easy way to get something of value ... all factors for a successful direct marketing campaign.



Referral Programs Drive High-Value Leads

Word-of-mouth has always been important for businesses and organizations looking to grow. In fact, nine out of 10 people trust the recommendations of friends, and the average value of a referred customer is 16 to 25% higher than that of a similar non-referred customer.¹⁰

Most businesses can benefit from a systematic referral process, especially those with current customers who know others like themselves, and those with customers who would feel comfortable and motivated to refer others. These include nonprofits, membership organizations (fitness centers, associations), financial services, personal services (spas, dry

cleaners, tailors), home services (HVAC, pool services and plumbers) and medical services.

Considering a referral program? Make sure yours includes:

- A dedicated website that makes referring simple and fun with integrated tie-ins for social sharing.
- Support materials that make it easy to share your story.
- Responsive lead tracking and reporting, so you can clearly see the source of your leads and reward your referrers.



Case Study #2: Managing Referrals in a Tight Market

The Big Sky Region in Wyoming faced a good kind of problem: Overall unemployment rates were 2-3% points lower than the national average, creating a challenge for Adecco Staffing. Specifically, Adecco needed to:

- Increase the number of high-quality job applicants.
- Identify new clients that had openings for high-quality applicants.

An online portal was built where referrers could create an account and send referrals to contacts via email or social channels. Anyone who made a referral that resulted in a qualified job candidate or a new client would receive \$100.

After six months, the program was performing well:

- 91 individuals referred
- 16 referrers qualified for incentive bonus
- 5 nearing bonus qualification

Setting up, promoting and managing a referral program can be complicated, costly and time-consuming. Talk to us about ways to simplify the process and turn employees, customers and business partners into brand advocates.





Connecting at Live Events

Live events can serve as a powerful source of leads. In fact, more than 80% of business marketers rank trade shows and webinars as effective lead generation activities.¹¹ In-person events are growing in importance for nonprofit marketers too, with 74% of nonprofits in one survey ranking events as “very important” as a marketing channel, up from 61% a year ago.¹² And with tighter marketing budgets across industry sectors, companies are sending smaller teams with more authority to purchase and close deals than ever before.¹³

Events that are effective at driving new leads include:

- Self-sponsored educational meetings
- Trade shows to engage with influencers and decision-makers
- Community event participation, particularly for nonprofits
- Webinars for delivering technical or educational content

With thoughtful planning and promotion along with timely follow-up, events can be an effective channel for your lead-building efforts.



Case Study #3: Lunch & Learn Serves Up Leads

A local professional services firm in North Carolina saw a need in their business community to provide more information on a new type of government service available in their community. They invited a well-respected expert on the topic to speak at a Lunch & Learn and invited 100 key businesspeople. For prospects, the offer included credible, useful information that would help their business . . . and a free lunch, always a good draw.

The business owner raved about the results, noting they invested less than \$1,000 overall to plan and market the event and have so far seen a **seven-fold return on that investment!**

“Not only have we capitalized on the sales aspect, but for those in attendance, they will certainly view us as the experts in this area. We have seen more than \$7,200 in sales in the two months since the event, with several more projects likely to go soon.”

¹¹ MarketingSherpa, *Lead Generation Benchmark Report*, 2012

¹² Nonprofit Marketing Guide, *Nonprofit Communications Trends Report*, 2013

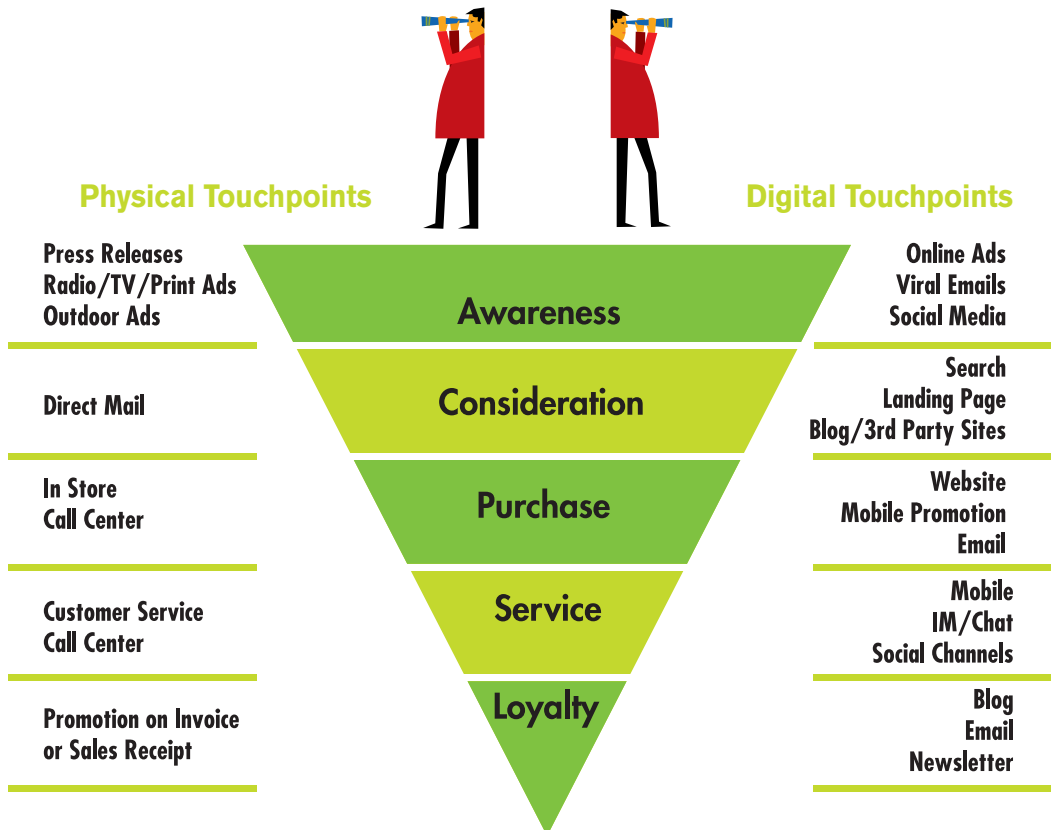
¹³ Event Marketing Institute, “How Attendees are Changing,” www.eventmarketing.com, accessed September 3, 2013



Understanding the Multi-Channel Effect on Lead Gen

Regardless of what channel you choose as the primary source for your lead generation campaign, your customer may choose another to start or continue their engagement with you. When your marketing messages and customer interactions are smoothly integrated across channels, your results will improve. In fact, multi-channel messaging was named the most effective way to increase engagement with prospects and customers.¹⁴

At each touch point, whether digital or physical, you have an opportunity to offer relevant information and engagement while collecting data on your prospects along the way.



¹⁴ MarketingSherpa, 2012 B2B Marketing Benchmark Report



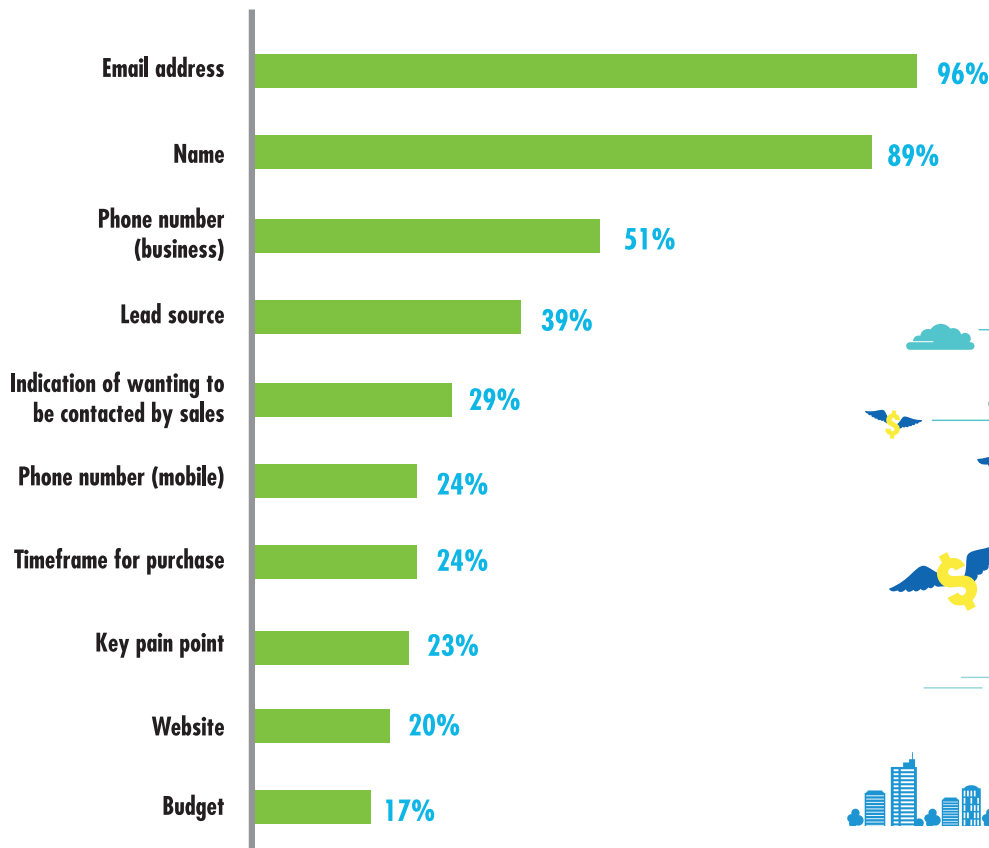
Are You Capturing the Right Data?

Essential to any good lead generating activity is the capture of prospect data so you can nurture that lead toward a purchase. For example, your direct mail piece asks prospects to download a white paper. On the landing page, be sure to have a simple lead capture form where your prospects exchange their personal information for the content they seek (the white paper). This is also a great place to ask them to “opt-in to our e-newsletter,” so you have their permission to contact them via email.

So what should you be capturing? According to the chart below, email addresses rank as the most important data point and are almost universally collected, while project budget and the lead’s website fall to the bottom of the list. Address and postal codes are also important, for both tracking your responses geographically and building your mailing list.

Need help understanding where your customers are looking and how to engage with them across channels? We can help with multi-channel messaging strategies, landing pages, personalized URLs and direct-to-digital integration tactics that will build your lead base.

Most Important Data to Collect





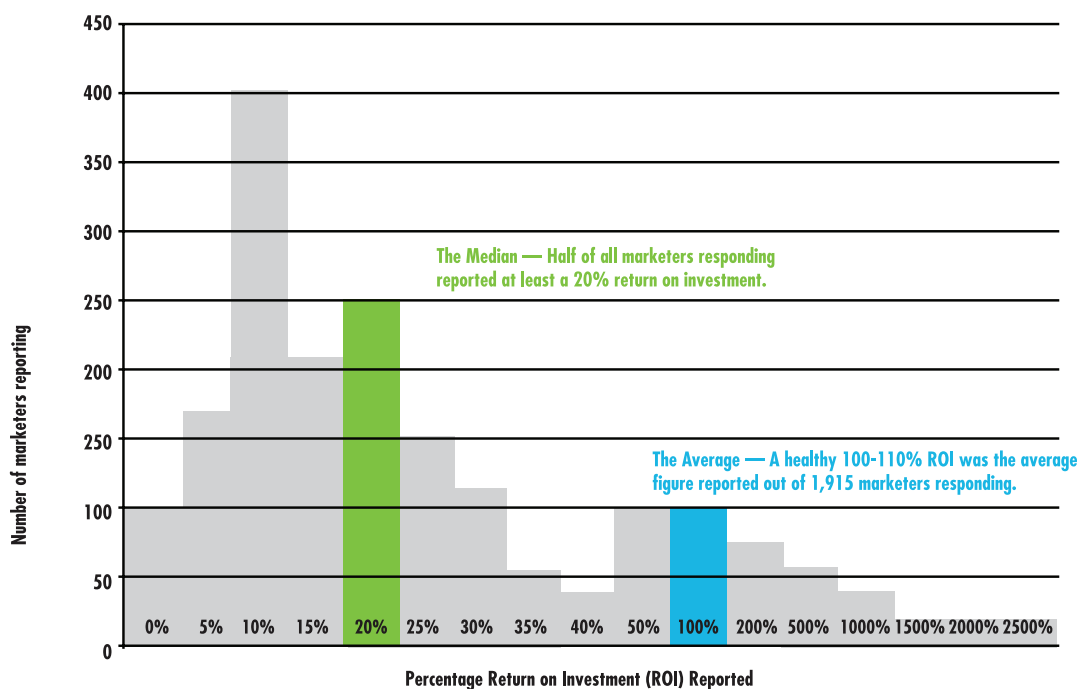
Evaluating Your Tactical Performance

Not all leads are created equal. Some prospects turn into buyers right away, while others may never buy from you. Still others will take nurturing and more information before becoming donors or customers. How do you know if your lead generating tactics are working as well as they should?

Let's look at some typical industry results to give you a benchmark from which to evaluate your efforts. The chart below shows the average return on investment reported by marketers from their lead generation programs. While results vary widely based on the channel used, the message, the offer and the suitability of the campaign's targets, overall the return was a healthy 110%. This means that ***an average lead generation campaign should bring in slightly more than double your initial investment***. Keep in mind, though, that with the median return hovering at 20%, many campaigns are improperly executed and fail to recover their full costs.¹⁵

How Much Bang for the Buck?

Reported ROI on Lead Generation Campaigns from 1,915 Marketers Surveyed





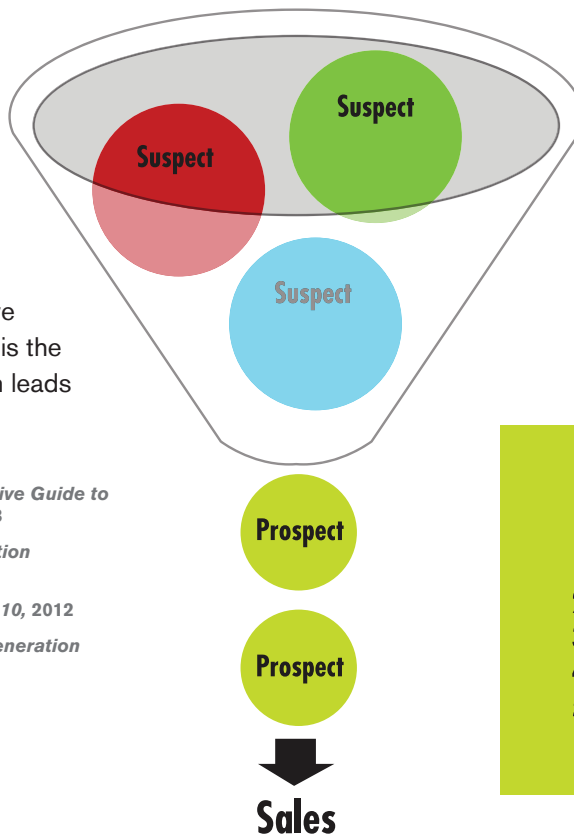
Leverage Your Leads with Nurturing Campaigns

So your lead generation campaign has performed well, and you have a solid list of potential new customers or donors. What's next?

According to Gleanster Research, 50% of leads are qualified but not yet ready to buy, with only 25% considered "sales ready."¹⁶ Yet the majority of organizations (68%) send their new leads directly to sales for follow-up, and 59% of those organizations have no lead nurturing campaigns in place.¹⁷

Trying to turn leads into customers before they are ready (i.e. with aggressive sales calls or overzealous purchase incentives) can drive them away. Closing that gap is the goal of lead nurturing: To turn leads

into informed, educated and enthusiastic buyers. Research tells us that leads need an average of seven touches before converting to sale,¹⁹ so lead nurturing and effective follow-up should be built-in to your marketing and sales plans.



**The Lead Nurture Funnel:
From Suspects to
Qualified Prospects**

Must Have 5 Yes's to Make a Sale

1. Do they have a problem?
2. Do you have a solution for it?
3. Do they want to buy from you?
4. Do they have the money?
5. Is there an impending event that will cause a decision to be made?

¹⁶ Gleanster Research, *The Definitive Guide to Measuring Lead Nurturing*, 2013

¹⁷ MarketingSherpa, *Lead Generation Benchmark Report*, 2012

¹⁸ Act-On, *The Lead Nurturing 5 & 10*, 2012

¹⁹ MarketingSherpa, *2012 Lead Generation Benchmark Report*



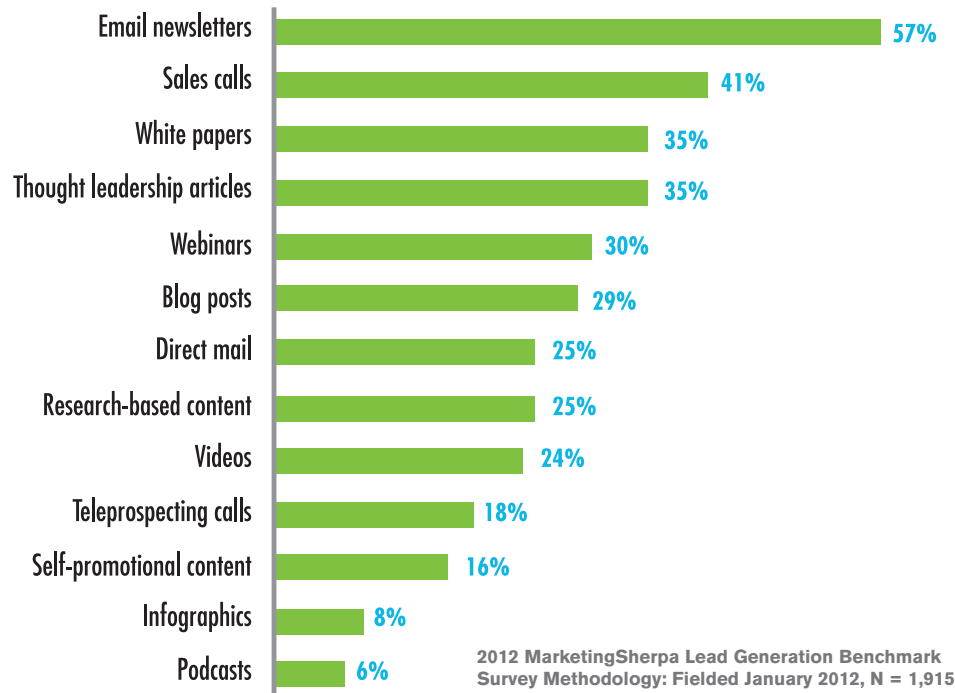
A solid lead nurturing plan can make a real difference to your bottom line. Organizations that nurture their leads show on average a 45% lift in lead generation ROI over those that don't.¹⁹



Most Effective Lead Nurturing Channels

As you develop lead nurturing programs, consider the effectiveness of these strategies for B2B and B2C organizations like yours:

Most Effective Messaging Strategies for Nurturing – B2B and B2C



A Quick Recap on Lead Gen Requirements

With the information in this guide, you should now be ready and committed to move ahead on your next lead generation campaign. Let's do a quick recap of what you'll need to ensure the most return from your lead gen investment:

- ✓ Carefully targeted market segments so you can align your marketing strategies with your business goals as you decide who to contact.
- ✓ Strategic channel-based lead generation tactics based on industry best practices and current consumer behavior models.
- ✓ Compelling marketing collateral created specifically for your chosen channels.
- ✓ Thoughtful lead nurturing tactics that drive your prospects toward purchase.

Generating leads and nurturing them toward purchase is a critical component of growing your business. And we can help. For more ideas on targeting the right prospects, choosing the right channels, creating compelling marketing materials and developing lead generation campaigns call us today.



About Allegra

Today's business environment requires a strategic approach to marketing communications and an understanding of your particular challenges. This is where we start to create solid marketing solutions with measurable results.

Allegra is locally owned and operated. Our focus is on small and medium-sized businesses and other organizations that need printed and online communications. We offer customer data analytics, lead generation campaigns, web site development, mobile site optimization, local search solutions, email and direct mail marketing campaigns, targeted mailing lists, social media solutions, dedicated referral programs, point-of-purchase and out-of-store displays, posters and signage, literature and handouts, promotional items and logo wear and more.

Beginning with a clear understanding of your business' goals and challenges, we'll help you determine the best prospects for your business or organization. We'll help you precisely segment your customer base, develop a multi-channel strategy to reach them, and ensure that every activity achieves maximum impact with minimum waste to achieve your sales or other goals.

Ready to Get Started?

Contact us for a consultation and let's see what we can do together.

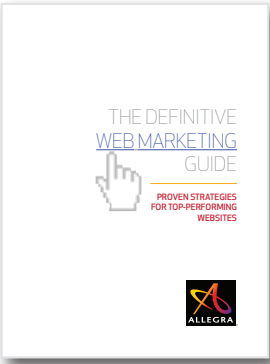
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Looking for more marketing insights?

For best practices and new ideas to help your business grow, talk to an Allegra professional about these other valuable resources. Just ask us for a printed or digital copy; we'll be happy to deliver it to you.

The Definitive Web Marketing Guide:

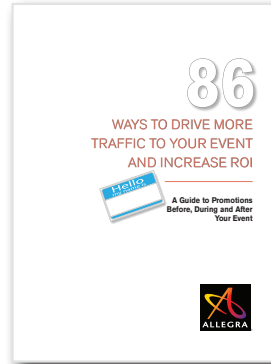
Proven Strategies for Top-Performing Websites



Make your website a powerful tool to connect, inform, engage and sell.

86 Ways to Drive More Traffic to Your Event:

A Guide to Promotion Before, During and After Your Event.



These sure-fire techniques from event industry insiders will boost traffic and results from your next event or trade show.

The Ultimate Direct Mail Marketing Guide:

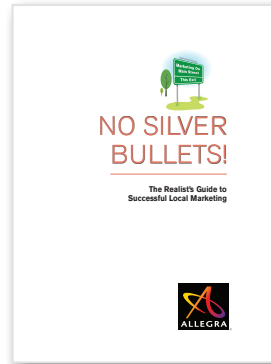
Proven Tips and Techniques You Can Use Today



Learn how to break through the clutter and create powerful direct mail campaigns that reach the right people with the right message.

No Silver Bullets:

The Realist's Guide to Successful Local Marketing



Use these six cross-channel strategies to find more local customers and drive new sales.

101 Marketing Ideas You Can Take to the Bank:

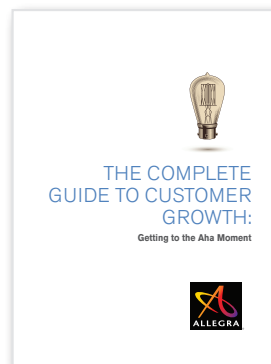
Practical Advice You Can Use Today



These proven tactics will improve your marketing effectiveness from the first page. Get started now on your way to more sales.

The Complete Guide to Customer Growth:

Getting to the Aha Moment



Gain a better understanding of your best customers and use that information to strengthen your relationships and grow new sales.