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Five Tips to Generate Higher Quality Leads and Boost Your Sales

With new hope on the economic horizon, companies across the country are turning to Lead Generation campaigns as a way to quickly bring new deals into their sales pipeline. According to the December 2003 survey by Bitpipe, Inc., lead generation will dominate the tech marketing agenda in 2004, and expenditures for online lead generation will rise to 45 percent – up from 40 percent last year.

There's no question about it, lead generation will get your phones ringing. However, before you invest make sure that the program will maximize the quality and quantity of leads.

To help you get better leads from your next lead generation campaign, consider these five tips:

1 Decide how many leads you need

Define a measurable revenue objective for the campaign. Then calculate how many "qualified" leads you need in order to achieve that goal.

For example, how many leads are needed to close ten new deals? Let's assume that the average response rate is 1% (typical range varies from 1/2% to 4%). The total number of leads you can expect from a campaign is:

- **Total Leads** = Total Impressions x Response Rate

Since not all leads will fit your target customer, you need to estimate the percentage of "good" leads that will result.

- **Good Leads** = Total Leads x Estimated % of "Good" Leads

Finally, if you know your "close rate" (the percentage of "good" leads that will ultimately convert to closed deals), you can estimate deals that will result from your campaign. You can estimate this number (10% - 25% is typical), or look at your historic sales data to calculate it.

- **Close Rate** = Deals (12 mos.) ÷ Total Leads (12 mos.)

For example, assume that with a total of 50,000 impressions, you get a 1% hit rate, 20% of leads you capture are "good" leads, and your sales team's close rate is 10%.

To close ten new deals you would need to generate a total of 50,000 impressions to create 500 total leads, of which 100 would be "good" leads, of which ten would close.

2 Target the right leads

Clearly defining the "ideal" lead makes it possible to improve your list selection. As a result, you can spend less to reach your target audience, while simultaneously increasing the lead quality.

Some of the questions you might ask to determine the "ideal" lead include:
- What are the characteristics of your best customers today?
- Is there a particular size of company that is ideal?
- Is there a specific industry that is more likely to use your product or service?
- How do you know a good lead from a bad lead?

About the Author

Kate Purmal is the President of Driver Group, a Silicon Valley based management consultancy.

Driver Group clients include CBS MarketWatch, Hewlett-Packard, Intuit, Palm Computing, Handspring, and a number of emerging, venture-backed technology companies.

Kate was voted one of Silicon Valley's "Most Influential Women in Business" in 2003.

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Ask the right qualifying questions

Since the success of a lead generation campaign is measured not by the total number of leads produced, but by the number of "good" leads which lead to closed deals, it is critical to follow-up on the hot leads immediately so you don't leave any deals on the table.

The best way to quickly identify "good" leads from bad ones is to ask 3-5 key qualifying questions during lead capture, preferably by multiple-choice. The questions should come directly from your definition of the "right" leads from tip #2.

For example, if your ideal lead is from someone who authorizes or influences the purchase decision for your solution, who is currently evaluating your category of solution, in a large company with over 10,000 employees, you'll want to include three multiple-choice questions:

- What is the size of your company (number of employees)?
- What is your role in purchasing your category of solution?
- Are you currently evaluating solutions in this category?

Streamline your lead follow-up

If you have the good fortune to have the problem of managing hundreds of incoming leads every week, you'll need to quickly identify which require immediate follow-up and which can wait. Asking qualifying questions up-front makes it possible to identify "hot" leads, and to decide which leads are simply not worth your time to follow-up on.

Typically, the size of the company, or the timing of evaluation or purchase is key in deciding which leads are worth your time and follow-through. To streamline follow-up, we recommend you create three or more follow-up buckets for the leads you capture. For example:

- Hot: Lead fits target profile and purchase or evaluation time-frame. Follow-up within seven days
- Warm: Lead fits target profile, but not purchase or evaluation time-frame. Follow-up within 30 days.
- Cold: Lead does not fit target profile. Add to your marketing database for email offers.
- No Opportunity: Target falls below your minimum company size or other key criteria.

Create a low-touch plan to advance "cold" leads

Not all leads generated through your campaign are immediately ready to engage in the evaluation process. Low-touch methods can move leads through the buying cycle without tying up expensive sales or telemarketing resources.

You can maintain a high level of awareness by touching these leads every 30 days through consistent email marketing campaigns. This inexpensive procedure will keep your company and product "top-of-mind." Generally, you don't need to create new marketing materials. Regular email contact can include:

- Links to recent press articles
- New product or event announcements
- Email newsletter (quarterly)
- Case studies and testimonials
- Other marketing tools