LoopFuse Marketing Best Practices Exchange

Lead Capture Best Practices for Small-to-Medium-Sized Businesses (SMBs)

Contents

Lead Capture for Small-to-Medium-Sized B2B Companies

Generating demand and capturing sales leads are critical to growth. Lead Capture is also the yardstick by which most B2B marketing organizations are measured; everything's good when sales people aren't complaining about having too few leads.

This paper describes best practices for capturing leads, particularly via the web. SMBs especially will learn effective methods for:

- Identifying the leads to target
- Making your company relevant to prospects
- Best practices for capturing leads via your website
- Other Lead Capture venues—social networking, tradeshows, mailing list purchases, etc.
- Forecasting demand and measuring Lead Capture effectiveness

Real-World Perspectives on Lead Capture

As with other LoopFuse Marketing Automation Best Practices Guides, we'll feature tips from actual LoopFuse customers to help you round out your understanding of Lead Capture and provide you with real-world advice you won't find in other theoretical papers on the topic.

If you have any Lead Capture thoughts or experiences you'd like to share, please visit the LoopFuse Marketing Automation Best Practices Forum to express them.

Lead Capture Overview

Effective Lead Capture involves the following:

1. Targeting - Identifying who you want to capture as leads
2. Positioning & Messaging – Appearing relevant to your target leads
3. Registration – Inspiring target leads to share contact information with you
4. Measurement – Understanding Lead Capture program performance and seeking ways to improve

Targeting - Identifying who you want to capture as leads

It is critically important to identify the types of people you want to capture as leads and to understand how, why, when and where they want to learn about products or services like yours. This is fundamental to almost all marketing functions, so hopefully you already have this covered.

Sometimes called "personas," you'll paint as detailed a picture as you can of the type of person you consider to be your ideal lead(s), otherwise known as Segmentation and Profiling. Lead Personas include information like:

- job title/function, geographic location
- company size
- company type

- industry
- can afford to spend $X on an offering like yours
- the top 3 challenges/problems the person faces (and that you solve)
- what competitive products they already use or might also be evaluating
- what motivates and excites them professionally
- how they like to communicate (e.g., email or phone, at a business or technical level), etc.
- their role in the buying process

Since a B2B purchase is often a team decision that may involve evaluators, sponsors, end-users, purchasing, contracts/legal, you may need to create several different target lead personas.

Best Practices:

Capture the Recommenders and Influencers - There are often many people involved in a B2B purchase. You may not be able to create lead generation programs to capture all types or roles. Therefore, focus Lead Capture on those people who have the authority to recommend the purchase of your product. In many cases, these people will also be responsible for the successful implementation or use of your offering. It may be tempting to capture executive-level leads, but a) those can be expensive leads to acquire and b) they often defer product selection/purchasing to subordinates within their organization.

SMBs, Target Mavericks – SMBs, especially earlier-stage businesses, should target people who tend to have a less risk-averse, early-adopter mentality. In the IT world, those people tend to hold “Architect”-level positions. Targeting too high or too low may result in capturing leads that are highly loyal to incumbent or larger vendors.

Positioning & Messaging – Being Relevant to Buyers

Establishing relevance during the first impression you make on prospects is critical. For you to be relevant, they must understand what you sell and whether it might be advantageous to them. This must be communicated plainly and directly:

- On your home page, or they will not navigate into your website
- In the subject line of your prospecting email, or they will not open it
- In your 95-character Google Ad or they will not click it
- In the headline of your tradeshow booth signage or they will not stop to talk

Remember, **B2B prospects *are paid* to buy products like yours**; it’s part of their job function. Help them do their job by plainly communicating:

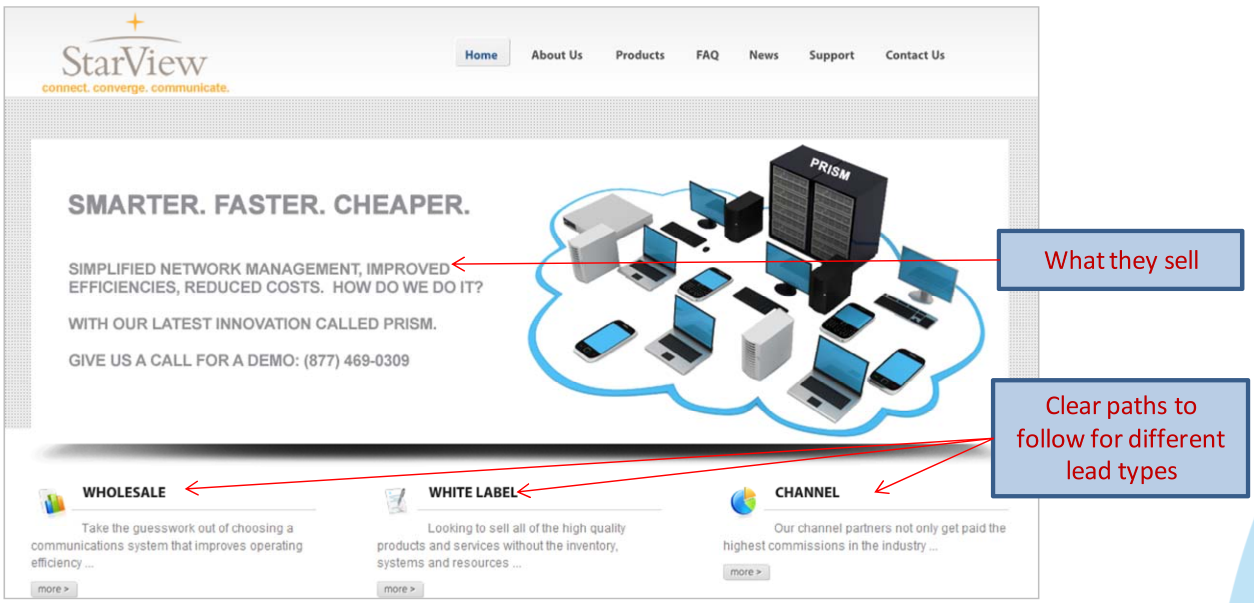
- What you sell
- Who it’s for (or who uses it)
- How it helps
- And in some cases, how much it costs

Best Practices:

Describe your product plainly and simply - Avoid soft-selling, jargon, and dense prose, all of which can obscure your relevance.

Make it easy to find a description of what you sell - (that's what people are coming to your site to figure out). For many companies, the Product Overview page is the 2nd most heavily visited page on the site (with home page being the busiest), and it's not atypical for it to be 10 times more trafficked than the 3rd busiest page. If web traffic analytics reveal that your product overview page isn't the 2nd-most visited page, it might be because people are having trouble finding it. Consider adding a top-level menu item called "Products" or "What is <Product Name>" to change traffic flow.

Cater to different lead types on your website - If you have well-defined lead types, create obvious paths for them to navigate into your website. The home page of the following LoopFuse customer is a good example of how to establish relevance:



- What StarView offers is spelled out plainly in the main banner
- Value propositions and website navigation paths are provided for specific lead types—wholesalers, white label distributor and channel partners

Registration – Inspiring Target Leads to Share Contact Information

Lead Capture sources range in cost per lead (CPL), predictability of Lead Capture and lead quality. Since the website is the primary point of Lead Capture for so many B2B companies, the focus of this section will be on best practices for capturing leads via your website. Other lead sources, such as trade shows, mailing list purchases, will be covered briefly.

Website Lead Capture consists of two important considerations:

- When to ask people to register
- What information to collect in the registration form

Best Practices – When to ask people to register

Deciding what website content requires registration to access is usually hotly debated within companies. If you require registration in too many places, leads may decide that learning about your offering isn't worth all the data entry effort and turn to a competitor. If you give too much content away freely, then you may find your marketing database growing at a slower pace.

Registration is tit-for-tat – If you give away valuable content, it's reasonable to expect people to provide some information in return. The more valuable the content, the more information you can ask in return. Website visitors generally expect unencumbered access to your product overview to learn what it does, what makes it different from other products, what benefits it provides, etc. There's no one-size-fits-all practice, but the following guidelines on what content typically requires registration should provide a useful starting point.

Content	Register?	Best Practices
Product Overview	No	Requiring registration for basic product info is atypical. One exception to the rule is prior to company or product launch; it's not uncommon for startups to put a brief market positioning statement on the website and require people to register to get a confidential "early peek" at your offering. Just be sure to explain that on the registration form: *"The Acme Widget is currently under development, and we are only sharing product information on a confidential basis during the pre-release period. If you would like to learn more, please complete the form below."*
Customer Testimonials	No	Testimonials should be freely available—they tend to motivate people to want to register to get more details on your offering.
Product Benchmarks	No	Product performance or cost savings benchmarks (if applicable) should be freely available—they tend to motivate people to want to register to get more details on your offering.

White Papers	Yes	At high-tech companies, the "Technical Overview" white paper is often the top download. Your product overview will make claims like "Acme Widgets are 10 times more widget-y than other widgets due to our patented Widgexcel technology." Good prospects are typically willing to register to learn how your "secret sauce" works so they can decide whether to believe your benefit claims. Therefore, if it makes sense for you to do so, author a technical overview white paper and promote it heavily on your website. If you offer a library of white papers, keep it at the top of the list so it's easy to find. One LoopFuse customer reported that within a week of publication, their Technical Overview white paper became the top download among their substantial white paper library. Thought leadership papers (e.g., best practices papers) should require registration. If they offer actionable advice to help readers improve job performance, it's fair to ask for contact information in return. If you have a large library of white papers: • Be judicious about which papers to publish. • Remove out-of-date papers from the site. • Consider keeping some papers private so that sales people can send them individually to prospects to as part of nurturing campaigns.
Live Webinars	Yes	Webinars require time and expense to produce and often feature paid industry experts or customers presenting exclusive insight to viewers. Therefore, it's reasonable to require people to register. Since ***live*** webinars tend to be a strong draw, it's usually safe to ask for more information from registrants. You won't turn away too many leads by asking qualifying or segmentation questions about their interest or situation, in addition to basic contact information.
Recorded Webinars	Yes, then No	It's fair to require registration to view webinar recordings and webcasts for the same reason you require registration for the live event. However, recordings often lose their capture power over time; usually within weeks (refer to your marketing automation system to view Lead Capture performance over time). And they hold more value as viral marketing and SEO assets—consider giving webinar recordings away freely via YouTube and the slides via Slideshare to help drive more traffic to your website.

Free Trials or Freemium Offerings	Yes	Registration is usually necessary in order for you activate the service or provide prospects with “getting started” information. You can also typically request extra information from people at this point, so don’t be afraid to ask for some additional qualifying or segmentation information. People are getting a free product or service that you spent a lot of time and money creating; it’s more than fair to expect some contact information in return. In some markets, such as open source software, people expect to be able to download your offering without having to register. That’s fine, but be sure to offer them the chance to register at the point of download or install (by presenting a form, plus an alternative “No thanks, just take me to the download” link)—inform them that this is not a sales tactic, it’s to help provide them better support because registered downloaders receive support bulletins via email, etc.
On-line training/video	No (usually)	Video content should be freely accessible. And if possible, posted to YouTube to help drive traffic to your website. One possible exception is online training. Even here, you probably want to make the content freely accessible. It sends a positive message about the support and customer experience you provide.

Register once, get everything – One of the benefits of marketing automation is that it permits you to ask new leads to register just once – the first time they access protected content - then they can access any content freely. For example, with LoopFuse, people can register once, and then LoopFuse can automatically track who downloads what papers, videos and webcasts, etc., and add those people to lists or CRM campaigns for you to help guide lead scoring and lead nurturing.

When in doubt – If you’re not sure whether to ask for registration, then take a look at your competition. Try not to be too misaligned with website Lead Capture practices within your market; you don’t want to be the one company in your market that over-prompts people for registration information.

Best Practices – What information to collect in the registration form

Keep them short – Conventional wisdom suggests you should keep registration forms short. Requiring too much data entry from prospects is a turn off and may reduce your capture rate. For things like white papers or webinar recordings, just ask for basic contact information, including location or industry segment if that helps you assign leads to sales people. If you never mail material, then don’t ask for street address. If your lead follow up is via email primarily, then don’t ask for phone number.

If you must have multiple forms, pre-fill the fields for repeat registrants – Ideally, you use your marketing automation system to allow users to register once online and then freely access all protected content, as described in the prior section. If that’s not possible, or if you have forms that request different information, then use your marketing automation system to pre-fill the form fields with previously entered data for repeat registrants.

Allow non-corporate email addresses – Some companies force registrants to enter a corporate email address (i.e., not a Yahoo or Gmail address). True, it can be a good qualifier, but more likely it’ll be a frustration to registrants. Plus, if you permit them to enter personal addresses, you can still keep in touch with them if they switch employers.

Use pick-list fields for better data quality – The more consistent your lead data is, the better you'll be able to use it for lead nurturing, lead assignment and lead scoring. Avoid free-form data entry fields wherever possible. For example, don't allow free-form entry of things like Country or State/Province or Industry or Job Title/Function—present people a pick-list from which to choose a response.

Post registration forms on landing pages – If you advertise online (via banner ads or search engine pay-per-click ads), your ads will bring people to a landing page on your website. If your ad promotes a free white paper or webcast for example, then the ad should bring people to a web page that includes the sign-up form on the landing page as in the example to the right. Your Lead Capture rates will be higher than if the ad brings them to the home page and you rely on them to browse the site looking for the sign up.

Collecting market data prior to launch - Prior to company or product launch, gathering more detailed intelligence about leads can be worth more than netting a high volume of leads. So, go ahead and ask questions like:

- Industry? (can help you focus on certain vertical markets)
- Company Size? (can help with market targeting; give people choices: Under 100 employees (small), 101-500 (medium-sized), 500+ (large))
- Job title? (can tell you which people are your best prospects within your target companies)
- Why are you interested in learning about Acme Widgets? (helps with market sizing; if 60 people out of 100 choose b) or c) below, you can say 60% of your leads are potentially qualified buyers)
    a) Just staying current on new Widget technology
    b) Our existing Widgets need upgrading
    c) We are thinking about buying our first Widget

Two other things to remember with questions like these:

1. At the top of your form, consider adding an explanation: "For a limited time, we are asking extra questions to help us improve the quality and availability of our product. Thanks in advance for your detailed input; it will be kept confidential."
2. You'll probably gather what you need to learn from the detailed questions pretty quickly -- often within a few weeks -- depending on your Lead Capture rate. As soon as the answers stop telling you anything new, remove the questions from the form.

CRM integration – Leads are generally uploaded into a CRM like Salesforce.com after being captured via the web. CRM integration will be covered in detail in a future Best Practices Guide. A few important Lead-Capture/CRM integration best practices include the following:

- **Use Marketing Automation software** - Uploading lead data to the CRM eliminates duplicate leads and makes other CRM integration best practices easier to follow.
- **Assign immutable lead source values** - Lead Capture forms should always have a Lead_Source field that (in LoopFuse terminology) contains a *static* value (the name of the landing page or form) in a *constant* field. The constant setting ensures the Lead_Source value will not be overwritten if the lead already exists in the CRM (e.g., you won't change the prospect's lead source value every time they fill out a form on your website). This allows you to analyze return on investment (ROI) and lead quality by lead source.
- **Use Campaigns** - Have LoopFuse automatically add captured leads to CRM "campaigns," associated with each Lead Capture form (e.g., Product Evaluation Download, Webinar 1 signup, Webinar 2 signup, and so on). Campaign reporting in the CRM shows how qualified sales opportunities have been influenced by different marketing campaigns to help marketing measure campaign ROI.
- **Selective Lead uploads and assignment rules** – You may not want all leads to be uploaded to your CRM. Some companies have policies of only uploading sellable leads to the CRM; the others remain in the Marketing Automation system. Non-sellable leads might be students, job-seekers, people from certain geographies for which you have no sales coverage, etc. You can implement a LeadFlow in LoopFuse that only exports sellable leads to the CRM. LeadFlows can also implement rules for assigning leads to sales people (CRM lead "owners") based on geography, industry or other ways you might assign sales territories.

Measurement – Understanding Lead Capture Performance and Finding Ways to Improve

Measurement and analysis of Lead Capture effectiveness leads to insights that can improve sales and marketing efficiencies. Therefore, it is typically important to measure the following:

1. Lead flow – how many leads are being generated
2. Lead quality – are the captured leads in your target "sweet spot"
3. Lead cost – what is your cost per lead (CPL)

The first step in measurement is to create a Lead Capture forecast. In other words, predict how many leads the sales force will need to meet its quotas, and how big a Lead Capture budget you need to generate the demand. Doing so gives you goals against which to measure progress.

Forecasting Lead Capture Requirements

The forecasted lead count is usually expressed as a monthly, quarterly and/or annual goal, and it is calculated based on a few inputs from sales and also on some reasonable assumptions about (or historic measurements of) the rate at which leads are converted to paying customers. It's a simple spreadsheet exercise:

Metric	Example	Explanation
Annual New Customer Sales Forecast	$5,000,000	Get this from sales
Average Selling Price	$100,000	Get this from sales
# New customer deals required to meet	50	Sales forecast divided by ASP

annual sales goal:		
Closure Rate: (% of qualified sales leads that convert to closed deals)	25%	It is typical to assume 25% of deals in the sales pipeline will close and become customers
# Qualified sales leads required:	200 (=50/25%)	#Target New Customers divided by Closure Rate
Sales Qualification Rate: (% of Raw marketing leads that convert to qualified sales leads)	10%	It is reasonable to assume 10% of raw marketing leads will end up in the sales pipeline as qualified opportunities
# new raw marketing leads required to meet new customer sales goal:	**2,000** (=200/10%)	# of Qualified sales leads divided by Qualification Rate

Note that the sales forecast above is for NEW sales opportunities; it excludes recurring revenue you expect to collect from existing customers (such as annual maintenance or subscription fees) because marketing doesn't need to generate leads to drive that revenue.

The calculations above can be done on a quarterly basis or on a per-sales rep basis if sales revenue goals are set at that level (and usually are within B2B companies).

There can be some variation on the calculation depending on the length of your sales cycle. If it usually takes 3 months to close a new customer, then you'll need to capture leads in the current quarter to drive revenue in the next quarter. If you have a 6 month sales cycle, then you'll need to capture leads in the current quarter to drive revenue 2 quarters from now, and so on.

As soon as you can (often after the first few months of Lead Capture), you should replace your assumed Qualification and Closure rates with actual, measured rates and adjust your lead forecast accordingly.

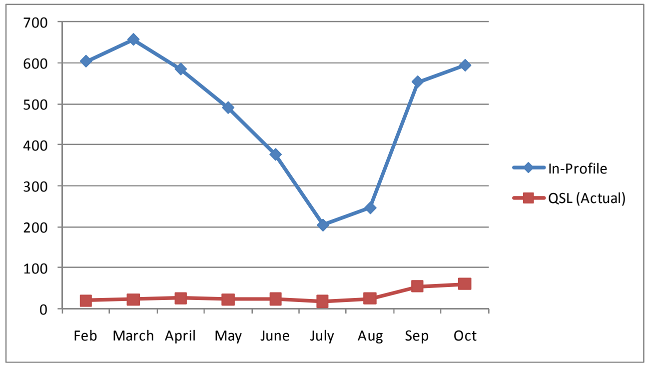
Best Practices - Measuring Performance

Create a Lead Capture dashboard - Marketing should prepare a simple dashboard report or spreadsheet that shows the following:

- Total number of raw leads captured
- Number of "in-profile" leads—the total number of leads, MINUS unsellable leads (from non-target geographies or industries, for example).
- Raw-to-In-Profile Lead conversion rate – what percentage of raw leads are "in profile?" (i.e., is marketing collecting quality leads within your target market. It's typical for this ratio to be 35% to 55%).
- Total qualified sales leads – these are leads that the sales team has added to their forecast opportunities.
- In-Profile-Leads to Total qualified sales leads conversion rate - what percentage of in-profile leads has sales qualified into their sales forecast. This percentage is usually around 10%

The chart below shows a simple way of communicating Lead Capture results.

	Annual Target	Monthly Target	Jan	Feb	March	April	May	June	July	Aug
Total Registrations	7,600	633	643	979	1335	1307	967	676	375	431
In-Profile Registrations (IPRs)	2,250	188	152	567	585	492	454	346	203	222
Raw-IPR Ratio		30%	24%	58%	44%	38%	47%	51%	54%	52%
Total Qualified Sales Leads (QSLs)	250	21	33	20	23	26	23	24	18	17
IPR->QSL Conversion Ratio		11%	22%	4%	4%	5%	5%	7%	9%	8%



Analysis of this data can reveal actionable insight. For example, the plot of the in-profile leads and qualified sales leads says a lot about Lead Capture & follow up. QSLs are typically a steady percentage of in-profile leads (~10%). But here, QSLs are flat even though in-profile lead flow is dropping steadily and then spiking. You'd expect the QSL curve to have a similar shape to the in-profile lead curve. The discrepancy tells us that a) there aren't enough sales people to follow up on leads (or they aren't following up effectively) and b) marketing is wasting money generating leads that sales doesn't have time to process. So, this company should reduce Lead Capture spending or hire new sales people to keep up with demand (the company from which this data came did so in July, resulting in an uptick in QSLs in Aug-Oct).

Report Lead Capture performance to senior management regularly – Marketing should be analyzing Lead Capture data very frequently. The more you do so, the sooner you might find ways to improve Lead Capture processes. Regularly sharing Lead Capture data with senior execs is motivating—no one likes to report bad news (e.g., a weekly or monthly drop in lead count) - so this helps ensure you'll take corrective measures in between reports to make sure the news is good.

Smaller companies, especially startups with more erratic lead flows, should review Lead Capture results on a weekly basis. Larger companies with steadier lead flows can discuss monthly.

Other Lead Capture Sources

Inbound leads (following search engine and news article links to your website) tend to cost less to capture and can be 10 times more likely to end up as qualified sales opportunities than leads from other sources; however, inbound lead flow can be unsteady. Therefore, you may consider other lead sources to make the lead flow more predictable and to reach new types of leads. The cost per lead will vary for the programs listed below; if your cost per B2B lead ends up being $25-$50, you're in pretty good shape.

Here are some alternatives to website Lead Capture:

Tradeshows and Conferences

Exhibit or sponsor a live event and collect contact information from the people who attended the event or visited your tradeshow booth. Tradeshows vary in effectiveness based on your industry, but they tend to cost more than other lead sources and quality can be iffy (attendees tend to be lower-level decision makers).

Webinars

Web seminars (webinars) delivered via WebEx or GoToWebinar, et al. are very effective Lead Capture programs. They are inexpensive to produce and tend to attract a good-size audience (dozens to hundreds, depending on the webinar topic and your market). Promote webinars via your website, via Twitter, and via emails to your marketing database. To really amplify webinar Lead Capture, find a business partner with a large mailing list to co-host the webinar with you. If they promote the webinar to their mailing list, you'll end up with many more new leads generated by the event (for free!).

Social networking sites

You can "capture" followers on social networking sites like Twitter, FaceBook and LinkedIn. They are not traditional leads, but they find you relevant and are tuned into what you're saying. It is beneficial to build a following via these sites; followers will help you spread your message to their networks of followers and may eventually enter your sales and marketing funnel when the timing and message are right.

Content Consolidators

For companies in the high-tech field, there are "content consolidators," such as TechTarget and SlashDot, that host topical news sites with hundreds of thousands of registered visitors. They offer vendors Lead Capture opportunities—they'll host and promote your Lead Capture content (white papers, webcasts, etc.) to their members via ads on their website and via emails and newsletters. They will usually guarantee a minimum number of leads generated by the campaign, which is good, but the programs can be pricey. You can negotiate cost per lead, and they'll usually agree to exclude certain demographics (that you consider unsellable, such as students/academicians) from your lead count to help with lead quality.

Trade Associations

Trade associations are a fantastic way to capture leads. Trade associations are communities of people that share a common industry or role, so they are ideal for targeted lead generation. For example, if you want technologists (IT, R&D people) working for telecommunications companies, look at the Tele Management Forum (www.tmforum.org). They have tens of thousands of members and offer companies the ability to advertise, and sponsor trade shows/ webinars that reach their membership. Organizations like TMForum exist for almost every industry segment—search for them on Google.

Mailing List Purchases

You can acquire contact information for potential leads from mailing list brokers or from business contact databases like Jigsaw and RainKing. These sources will sell you lists of people (with email addresses or physical mailing addresses) that meet specific criteria (e.g., people in the US with "Technical Manager" in their title or "Dentists from the 404 area code," etc.). You can then email (or mail) them and count those who respond to the outbound campaign as new leads. The list providers usually charge a few cents to a few dollars per name. That might sound tempting, but consider the fact that conservatively, only 1%-2% of the people on the list will respond to your campaign, so the cost per lead can be quite high (~50-100 times higher than the cost per name). Whatever your list source list, be sure that you are compliant with anti-spam regulations.

Additional Info / Next Steps

To learn more or to launch your own Lead Capture program, visit www.LoopFuse.com and sign up for a free-forever LoopFuse FreeView marketing automation account.

Visit the Marketing Best Practices Exchange blog to read public discussion on this topic, including lots of other tips and tricks shared by web marketing experts.

You'll also find other papers that cover topics such as:

- Customer Relationship Management (CRM)
- Lead Qualification
- Lead Nurturing
- Website design
- Pay Per Click Advertising (PPC)
- PR/Social Media/Networking
- Mass Emailing
- Events marketing
- Direct mail
- Advertising
- Marketing Launches
- Reporting

You can begin implementing Lead Capture on your website today for free using LoopFuse FreeView.