

minib 21

marketing of scientific
and research organizations

no. 3(21)/2016



research
for future



eISSN 2353-8414

pISSN 2353-8503

september 2016



LEAD GENERATION STRATEGY AS A MULTICHANNEL MECHANISM OF GROWTH OF A MODERN ENTERPRISE



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DOI: 10.14611/minib.21.09.2016.11



Summary

The primary purpose of this publication is identifying the possibilities that the implementation of lead generation strategies provides to modern enterprises. It discusses the key aspects of this issue, demonstrating how the significance of organisations change, how their value effectively increases as a result of the implementation of tools furnished by processes that form an integral part of lead generation. The article defines the factors and processes that affect the effective course of actions undertaken within lead generation campaigns.

Lead generation strategy describes the marketing process of involvement and capture of interest in a product or service which is aimed at developing sales plans and, as a consequence, soliciting new clients. Lead generation is becoming an increasingly popular demand-generating strategy, which — through its multichannelled dissemination of the generated message — gives it a much greater reach. Lead generation assists organisations in achieving a greater brand awareness, building relationships and attracting more potential clients to fill their sales pipeline.

Keywords: lead generation, brand marketing, content marketing, ROI, e-mail marketing, AIDA Curve, sales engine, telemarketing, social media marketing, direct marketing

Introduction

Many enterprises are incapable of accurately identifying the problems that have a significant impact on the adopted strategy of the organisation. A possible cost of implementing the wrong solution to a given problem may be the company's loss of market opportunity and waste of held resources. The business environment has remained uncertain for a number of years now. However, all turbulences, including the economic crisis, also have their upsides. Somebody benefits from them, somebody wins! Regardless of how extensive the area of stagnation is, a part of the business is growing and increasing its market share.

The rules of the market game dictate groundbreaking innovations, technologies, and business models and this applies to all sectors without exception. Despite these developments rarely being unexpected or surprising, traditional market players are not in a position to resolutely oppose them or suitably adapt to them.

The success of a company is down to the holding of regular customer capital who benefit from the products and services offered by the company. Irrespective of the type of business activity undertaken, every entity operating in an open market economy is looking for optimal solutions that are conducive to expanding their loyal customer base. Addressing this pressing need in a manner that is adequately tailored to the type of activity carried out can be challenging. The selection of a relevant action strategy requires taking the specifics of the given sector into account.

In marketing nomenclature, the recipient/consumer as well as the entrepreneur are defined as the lead, whose potential gives an indication of interest in the products or services offered. The lead generation concept, on the other hand, defines marketing activities the inherent objective of which is soliciting clients and creating a valuable client base. An appropriately created lead base has a large impact on the sales indicator and thus on the generation of a satisfactory pace of growth of business.

There are many factors that are involved in the selection of the range of activities undertaken in the field of lead generation harnessing the Internet, the overriding factor being a thorough analysis of the activities of

a given undertaking, as well as determining clear lines of action and an awareness of the existence of market competition. The information resource gathered in this way allows the needs of the enterprise to be determined in the scope of the creation of an individual base of potential clients.

Wanting to fully realise their growth potential, companies with an established market position should equally confidently benefit from the available market opportunities as those entities that have been in the game for a short time only.

Lead generation process

Lead generation marketing is getting people to "raise their hands" and say they are interested in buying, or learning about an available product or service.

Leads are people who have identified themselves as candidates who can potentially be turned into sales. Depending on where they are in the buying cycle, leads may have the following nature: "Thinking about buying" or "shopping around" or "considering alternatives" or "ready to buy". However, notwithstanding what they mean, each of them indicates the degree of interest in a given product or service and is identified as a tangible option satisfying specific client needs (David T. Scott. *The new rules of Lead Generation: proven strategies to maximize marketing ROI*. Publishing house: Amacom, 2013).

Lead generation marketing is a way of generating something that can be referred to as Marketing Qualified Leads (MQLs). Marketing qualified leads is a lead that is legitimate, sincere, and challengeable. Legitimate and sincere leads are such that clients truly intend to buy. These clients have the money and purchase competences and also carefully check the product or service before the possible purchase.

A sales engine is any mechanism used to engage the sale of goods and services. Until recently, this mechanism was used almost exclusively by sales staff. In the 21st century, the concept of lead generation marketing has changed the perspective not only on the way that companies treat marketing but also in certain cases on the way they treat sales.

Lead generation involves identifying prospective customers and qualifying their likelihood to buy in advance of making a sales call. In short, it's about motivating prospects to raise their hands. Lead generation is the single most important objective of any business-to-business (B-to-B) marketing department. Other objectives, such as brand building, brand stewardship, public relations, and corporate communications are also on the list, to be sure. But, providing a sales force with a steady stream of qualified leads is job one. (Ruth P. Stevens. *Maximizing Lead Generation: The Complete Guide for B2B Marketers*. Publishing house: Que Publishing, 2011).

Paradigm shift

We live in interesting times for lead generation strategy. This strategy is and will always be a sales support function. The primary objective in traditional marketing in corporations is providing the company sales department with warm leads (where a client's interest is focused on specific products or services but the execution of transactions may be spread over a longer period) enabling sellers to close a large amount of offers and generate more revenue. The functioning of the sales department was an essential requirement in every business and lead generation marketing provided sales support.

However, the significance of lead generation is constantly growing, many companies are adopting the principles of e-commerce and mobile technologies as sales aids. With the development of the online catalogue and self-service sales, some companies in the e-commerce structure do not even need a sales department.

This is one of the most exciting changes that have occurred in the world of business over the last decade. Along with the development of e-commerce, some companies are capable of implementing activities linked to sales in a comprehensive approach. This tendency places so much greater emphasis on discipline in marketing that in certain organisations; lead generation marketing can effectively generally serve both company sales and marketing. This tendency means a fundamental paradigm shift.

Clients want greater control during the purchasing process. They want to conduct their own product testing and get to know their characteristics before making the purchase. The Internet opens up new opportunities for clients to quickly and easily find product information and makes shopping ever more convenient.

Since companies are trying to meet consumer needs by providing more purchasing information and control, they increasingly often employ a tool comprised of lead generation marketing. The change in meaning that takes place in relation to sales within marketing itself decisively reflects this.

In order to gain a better understanding of this change, consideration should be given to where the significance of lead generation strategy falls in global marketing and how the concept of brand awareness relates to this.

Brand awareness and lead generation

Lead generation is a different animal from general advertising or marketing communications. The biggest difference is that lead generation relies on direct marketing,

also known as direct-response marketing communications. Direct marketing comprises a set of marketing tools, approaches, and activities that are targeted, measurable, and driven by return-on-investment (ROI) considerations. But the key difference is that direct marketing's goal is to motivate an action. The action can be anything from a click, to a phone call, to a store visit-whatever the goal of the marketer is. Based on customer information captured and maintained in a database and using various analytical and communications techniques, direct marketing provides the underpinnings of some of today's most effective marketing approaches. These approaches include e-commerce, data mining, customer relationship management (CRM), and integrated marketing communications. But the major contribution that direct marketing makes to the business marketing equation is generating leads for a sales force, whether a field sales team, inside sales, or an outside sales resource like a distribution channel partner

or representative. (Ruth P. Stevens. *Maximizing Lead Generation: The Complete Guide for B2B Marketers*. Publishing house: Que Publishing, 2011).

In general, global marketing is subject to two issues/strategies: brand marketing and lead generation marketing. These two aspects are referred to as the Orwellian "big brother of marketing" and mutually influence each other on a yin-yang relationship basis. There are, of course, other equally important forms of marketing, such as product marketing.

Brand marketing is what gives people an awareness of the relevant product or service offered by a company. What is important in this is the creation of an appropriate impression about the brand in the recipient's awareness and repeating this impression as long as is necessary for the recipient to have a clear or implicit awareness of that brand.

For decades, brand marketing was considered to be the "sexy" part of marketing. The hit television series 'Mad Men' revolved around the life of the staff of a reputable New York advertising agency in the 1960s. At the time, marketers perfectly designed both the artistic concept as well as the advertising content, and the advertisement itself was built on building the brand (Chevrolet, Oldsmobiles, Lucky Strike cigarettes, etc.) in the minds of consumers so as to invoke an unconditional desire to purchase a given product in this way.

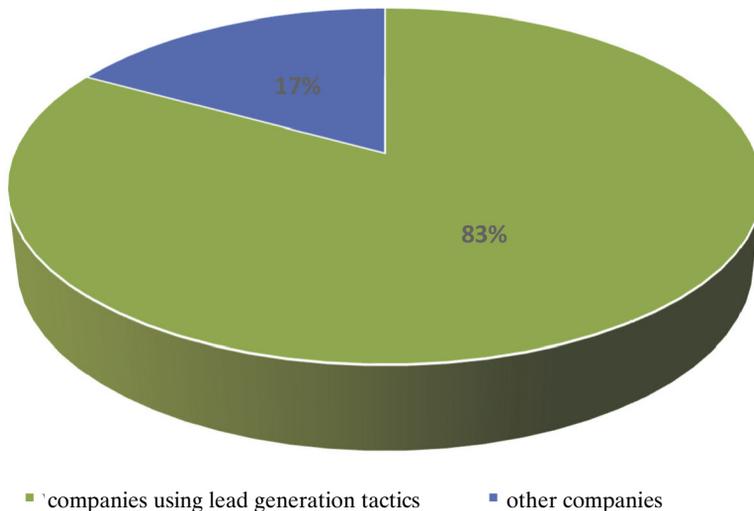
Lead generation marketing was, for a long time, considered the sensitive point of marketing. Marketers harnessing lead generation strategy ask the question of how a market with a well-established awareness of a given brand or product can be stimulated to an extent where the shift can be made from considering a purchase to its actual execution? One thing is to check whether or not the client is aware that the relevant solution is the most advanced and innovative, another is to convince them to purchase this solution. This is what lead generation strategy is all about.

Who uses lead generation marketing?

It is difficult to measure the degree to which companies harness lead generation marketing in percentages. However, several interesting statistics like those developed by the A McKinsey Global Survey show

that globally, 83% of companies use some form of internet lead generation tactics like, for instance, e-mail marketing, or run sponsored links, website positioning and optimisation campaigns. If several other off-line campaigns that only use traditional lead generation tactics like trade fairs, dispatch of advertising materials by post or telephone conversations are included in this, it can be roughly estimated that around 85–90% of companies around the world use at least one tool that is part of the lead generation strategy.

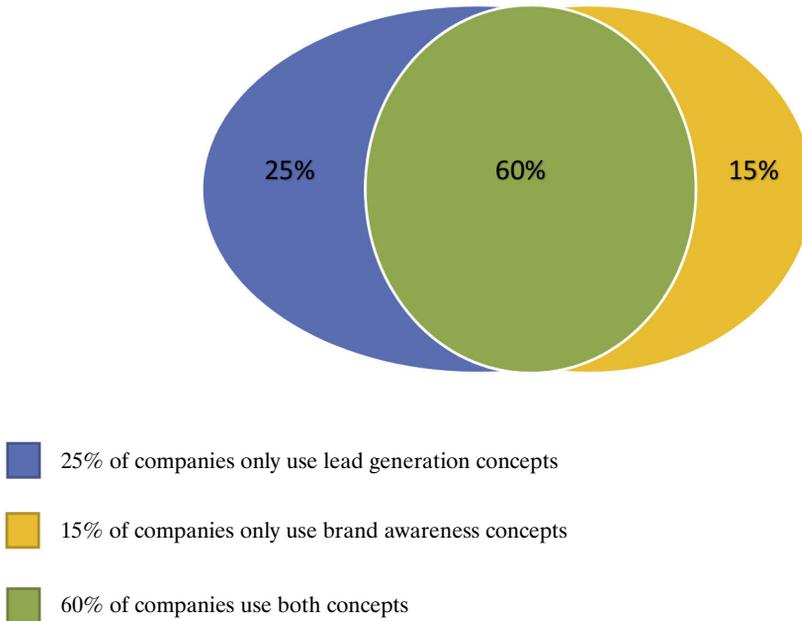
Figure 1. Globally, companies using some kind of online lead generation tactics, as a percentage



Source: The McKinsey Quarterly: How companies are marketing online: a MCKinsey Global Survey, 2007.

The companies that most strongly implement the lead generation concept are those that run online stores or are involved in direct selling. Each company that runs a direct sales process and/or forced direct sales or forced captive sales or any other area of forced sales will generate substantial benefits as a result of the implementation of marketing tactics within the framework of the lead generation strategy.

Figure 2. The use of the brand awareness and lead generation concept by companies



Source: The McKinsey Quarterly: How companies are marketing online: a MCKinsey Global Survey, 2007.

An excellent example of the use of lead generation strategies alone is the Fluke Corporation with its registered office in Everett in Washington, United States. Dahaner Fluke-owned, it is a high-income company specialising in the testing of electronic devices like calibrators and function generators. The company harnesses lead generation by directing its offer exclusively to electrical experts and other interested companies. Since their target market is quite specific, there is no need to allocate significant resources to the advertising of its brand. Fluke is recognisable among 95% of electrical experts but not many people outside this group have ever heard of the company. (David T. Scott. *The new rules of Lead Generation: proven strategies to maximize marketing ROI*. Publishing house: Amacom, 2013).

The subsidiary's marketing activities exclusively or almost exclusively rely on brand awareness marketing. Consortia like Coca-Cola or Delta Airlines need brand marketing since their target group covers all clients.

Millions of dollars are spent on their advertising campaigns to make sure that the brand is on the highest level of brand awareness and this is the incentive to purchase the products or services offered by these concerns.

Many companies in the electronics industry are not focused on the direct sale of their products. They only ensure that the brand has sufficient value and position as the leader in the sector and that stores are eager to sell their brand. Electronics companies have no reason to create databases of potential clients interested in their products since retail sales offering and specialising in the sale of electronics products will do this for them via their own actions undertaken within brand awareness marketing.

As was presented in Figure 2, there are much fewer companies that use brand awareness marketing or lead generation marketing alone than those implementing both concepts. Most firms are in the centre of the graph, using a combination of brand awareness and lead generation strategies. Thriving businesses are those that have learned not only how to use the lead generation strategy to maximise their effectiveness but also how to coordinate lead generation and brand awareness marketing.

Analytical vs creative approach

Brand awareness marketing is a brilliant idea that goes beyond the standard way of thinking in the discipline. Brand awareness marketing hones in on creating impressions in the perspective or mind of a client that picture or transmit these impressions in the directions in which they can reach the largest client group possible.

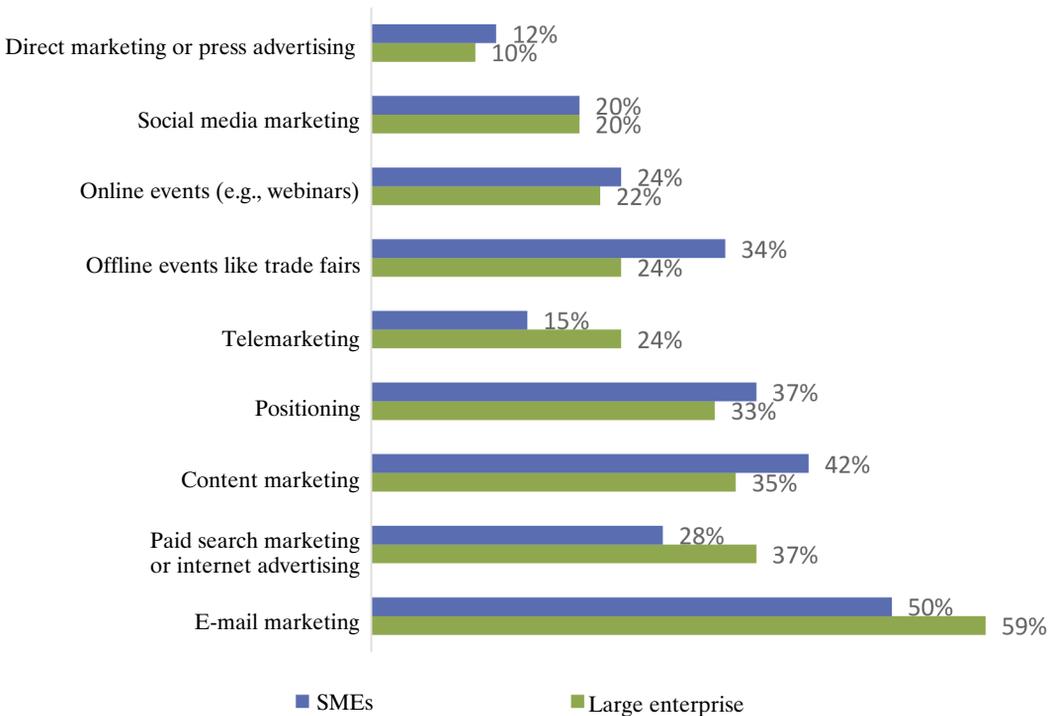
Brand awareness is a battle of creative ideas aimed at establishing emotional links with a client. A campaign sent into the world once, creates an awareness of this brand that is impossible to improve on. All that can be done is to determine the effectiveness of the advertising after it is broadcast, never before.

Lead generation strategy focuses more on mathematical and scientific methods. This is because checks and analyses of the adopted lead generation strategy have to constantly be conducted. These processes take place on many levels. On the tactical level, where the results of the tactics

adopted within lead generation have to be continuously checked to find out what quality leads are being generated and to what extent they are cost-efficient from the company interest point of view. On the management level, the results of different tactics should be compared (e.g., direct marketing versus trade fairs) to find out which tactic is the most profitable and efficient.

Within each tactic, the variables are checked against the constants in order to determine which combination of variables is most conducive to soliciting potential clients. For instance, an e-mail with the same offer is created in an e-mail marketing campaign. Each e-mail that is sent is sparing and has a different header; the results are compared in terms of which header is receiving greater attention of potential clients.

Figure 3. The most effective tactics used to achieve the principles of lead generation strategy



Source: 2014 lead generation benchmark survey: trends by company size, Marketing Advocate in partnership with Ascend2.

E-mail marketing and content marketing are still the best marketer strategies in terms of their size, while the direct costs of tactics like paid search or telemarketing are preferred by large enterprises.

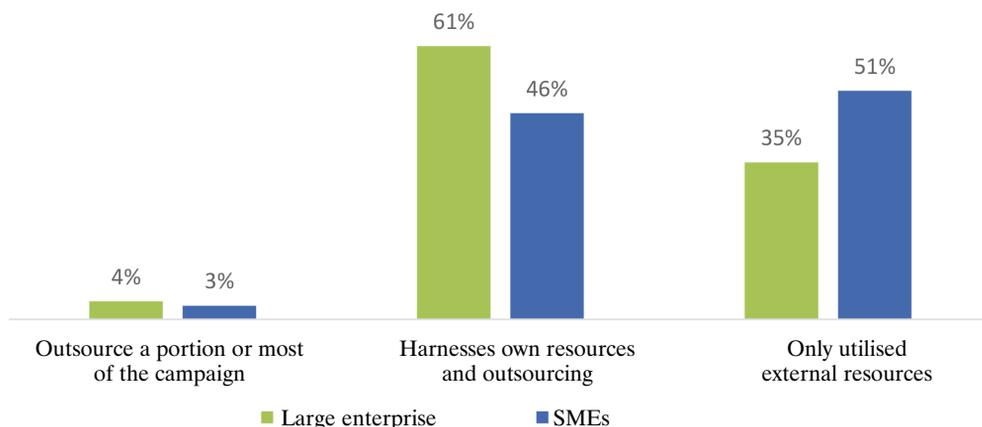
There is no clear answer or right tactic or variable that should be adopted in the lead generation strategy. One tactic (e.g., direct marketing) may be the best tactic in a given year but in five years time a different tactic (e.g., search engine marketing) could be the most efficient and cost-effective in pursuit of the same objectives. Some clients may respond better to a given type of offer, while others from a different demographic group could be more responsive to a different kind of offer. The point is to continuously check and analyse the results of the implemented tactics while monitoring which works better. The success of a lead generation concept depends on how the outcomes of the analyses performed will be used to improve process involvement.

A degree in IT or economics is not at all necessary to apply lead generation strategy — all that is necessary is analytical thinking. Structural thinking is imperative — in terms of the organisation of various levels of planning, validation and analyses used in lead generation campaigns.

Lead generation marketing is above all an accessible science. It is sufficient that a small degree of creativity is engaged in the process. Too much creativity reduces the efficiency of the process. Many lead generation campaigns are unsuccessful because marketers try to be too creative.

For instance, wonderfully creative e-mails with stunning graphics can be developed or a simple message that contains a valuable offer and a call to commitment can be conveyed. Simple messages usually outdo spruced up, creative e-mails because they have a greater chance of not being tossed into the addressee's spam folder. Apart from that, it does not look like a typical advertisement. A creative e-mail may look great but the benefits entailed in the offer might get overshadowed by the graphics. This is because the images that it is comprised of may be distracting for clients and, at the same time, prevent them from getting involved and from responding (taking action) to the message received. This is the advantage of the message content over its style.

Figure 4. Types of resources used in staging lead generation campaigns



Źródło: 2014 lead generation benchmark survey: trends by company size, Makeding Advocate in partnership with Ascend2.

Roughly two thirds of companies outsource a portion of or the whole of the lead generation campaign, thanks to which they acquire a higher level of knowledge and performance compared to small and medium enterprises.

The success of the lead generation concept is connected with a number of informed decisions about how to get closer to potential clients and what product or service information they should be furnished with that constitute a part of the company's offer. In some way, these decisions are similar to the election of a general or a different military commander who have to prove themselves in a battlefield situation.

Optimum battle plan

The lead generation marketing concept can be described as a medieval army going to war. We know from history that armies were organised into tactical groupings. Each combat group had specialised infantry, cavalry, artillery, archers, etc. Famous generals know which tactic to use to claim

victory and how to defeat the enemy using quite different interconnected tactics.

For most enterprises, brand awareness is insufficient to be successful on all potential customer markets. Hence, lead generation strategy is essential to take over market leadership or obtain a market advantage in certain strategic market areas.

Just as generals had their infantry troops or cavalry, marketers using the lead generation strategy have their tactics like direct marketing, trade fairs or cold calling. Just as any combat unit, so every lead generation strategy tactic has a specific role to play and has its strengths and weaknesses. If only one of them is used, it may turn out to be quite effective, provided that the right option was taken, that is, the one that facilitates the solicitation of another client. However, if a combination of several tactics is used, the ceiling of potential customers whom the generated message reaches may be increased, thus much better results can be achieved.

However, just like most old generals, it is important to understand how each tactic works and how it can be effectively utilised. The point of understanding which tactic is the most efficient must be reached and coordinated with other tactics in the lead generation strategy in order to achieve the best results. Only a combination of several tactics based on the current situation is capable of creating the most optimum battle plan.

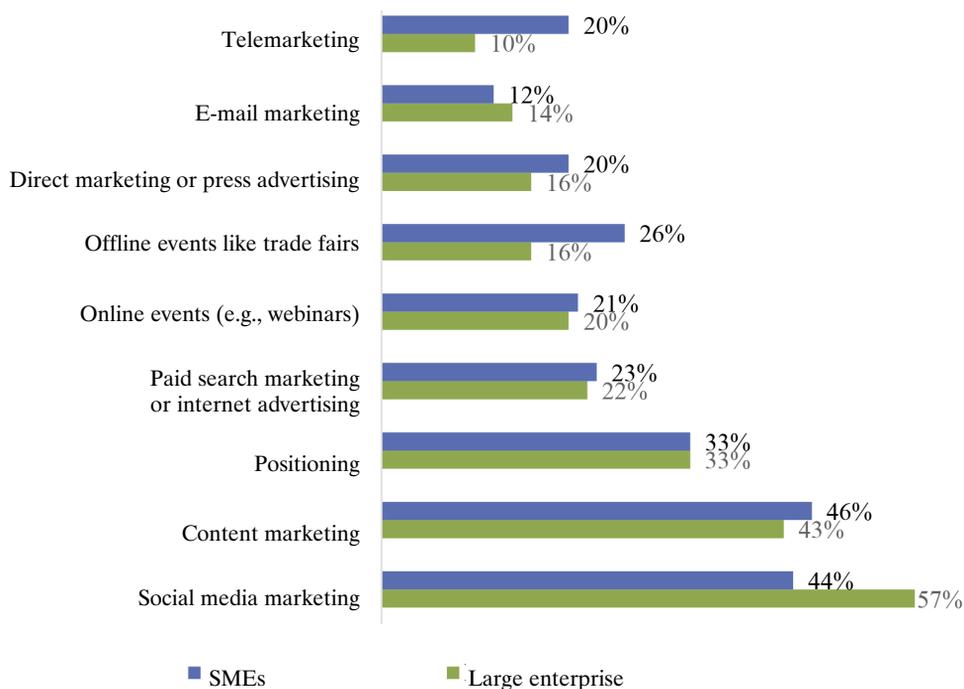
Cost estimate

It is necessary to determine which of the lead generation tactics will be the most cost-effective for the set marketing goals.

Nobody wants to see their whole lead generation budget consumed by one tactic that will fail to deliver the planned results. Better outcomes can be achieved by using a combination of several tactics, however, the first thing should be specifying the most and least cost-effective tactics.

The main objective of a company with an adopted lead generation strategy should be the generation of high quality, cost-efficient leads.

Figure 5. The most difficult tactics in the achievement of objectives using lead generation strategy



Source: 2014 lead generation benchmark survey: trends by company size, Marketing Advocate in partnership with Ascend2.

Defining objectives

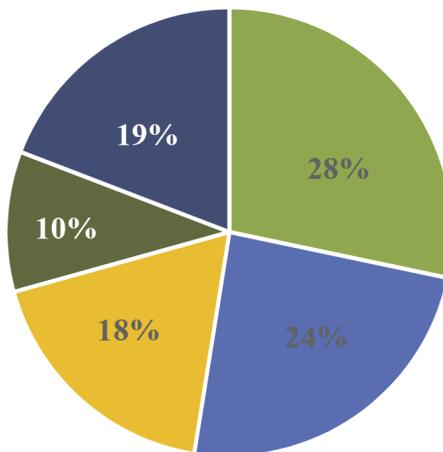
The key questions that should be asked when planning involvement in the lead generation process include: What constitutes a lead for us? And how should a lead be defined in terms of company needs and objectives?

The subject of actions in the lead generation process (depending on the tactic used) cannot be obtaining an actual lead. Depending on the goals of the firm and its marketing involvement, it may entail looking for a different means of contact with the client.

Depending on the objectives, more than one kind of contact with a potential client should be sought. We often look for recipients who, upon establishing contact, are forced to become a generated lead. By way of

illustration, if a developed message informs clients of a new type of product or service in a manner that is different to any other method used before, the client interested in the offer may ask about the possibility of obtaining a paper version of the offer. This is one of the forms of contact that can be undertaken on the offeror / client path. In order to download an offer, the interested party has to provide their e-mail address on the offeror's website and sign up for a newsletter. This simple process shows how clients become leads.

Figure 6. Marketing classification of leads passed on to sales departments



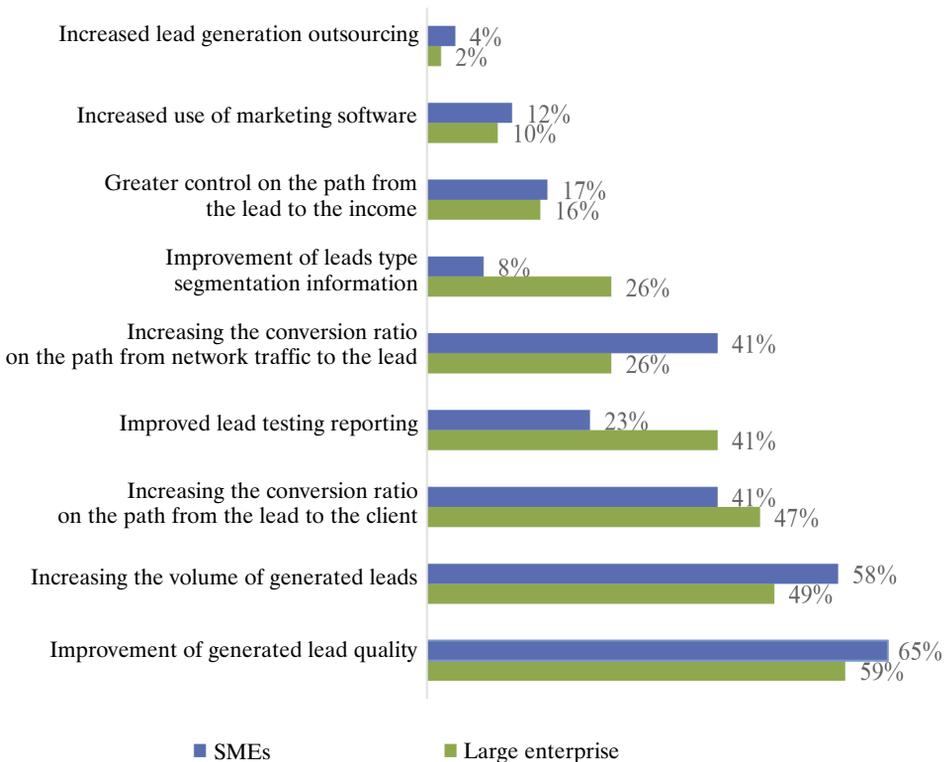
- A contact identified or generated by the marketing department 28%
- All contacts that came in response to the initiative of the marketing department 24%
- Contact classified as partly qualified, obtained in response to an outgoing initiative 18%
- Contact classified as partly qualified, obtained in response to an outgoing initiative 10%
- Highly qualified contact obtained through the sales department using standard selection 19%

Source: B-to-B Lead Generation: Marketing ROI & Performance Evaluation Study, MarketingProfs Research Insights, MarketingProfs, LLC, 2008.

It is important in the lead generation process that goals are defined in relation to the desired actions from customers. The aim may be a current lead or any other action undertaken by the client. However, the number of potential clients or actions undertaken, measured in relation to their acquisition costs, is a key measure of success through the efforts undertaken in the lead generation process.

The type of lead that we are after very often depends on where the target client is in the purchasing process.

Figure 7. Key objectives of the lead generation strategy in the short term



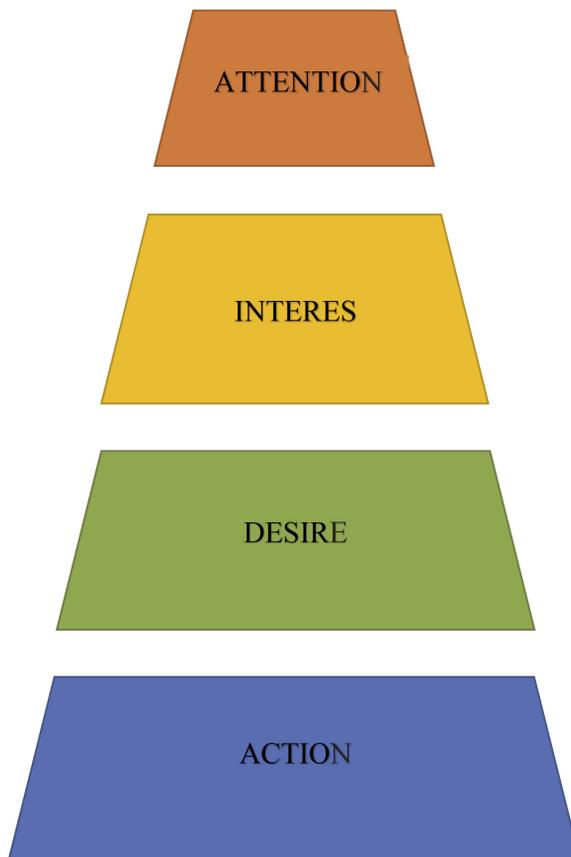
Source: 2014 lead generation benchmark survey: trends by company size, Marketing Advocate in partnership with Ascend2.

AIDA Curve

When determining the kind of lead and any other actions undertaken by a client that we want to win, the most important questions are: Where our target clients are located in the purchasing process? What purchasing stage of our product or service are they at? Where the answers to these questions should be sought in the comparison of potential clients with the AIDA Curve.

The AIDA curve is a well-known principle of contextual marketing. Contextual marketing is a concept consisting of organising marketing campaigns based on the mentality of the buyer at the time of the purchase. This is one of the simplest and most effective tools that can be harnessed by marketers.

Figure 8. AIDA diagram



AIDA is an acronym used to describe the successive reactions of a client to a product. AIDA stands for : A — Attention — attracting the client's attention to the product, I — Interest — the client's interest in the properties of the product, D — Desire — convincing the client that the product is indispensable to them and can satisfy their needs, A — Action — persuading the client to take action and buy this very product.

Not knowing which stage in the purchasing process they are at and how close clients are to making a purchase decision, they are at risk of receiving the wrong offer or being given the wrong information at the wrong time. Therefore, the budget allocated to the lead generation campaign will be wasted.

According to AIDA Curve theory, not every client is in the same mood or at the same point in their decision concerning the presented offer. Hence, it is necessary to determine the stage of the purchasing cycle that the client is at, after which, in line with the lead generation strategy, they can be reached precisely at their given stage.

Analysing potential clients through the prism of the AIDA Curve is an important part of the lead generation strategy planning process. It shows which responses concerning the products or services on offer they are after. It is down to the company to ensure that they find these responses satisfactory.

Attention phase

In the "Attention" phase, potential clients are provided with information on the given product or service. This does not mean that they have just found out about the relevant brand of products or services but their attention has just been caught by this specific information concerning the product or service!

In this phase, the intention is to sell the entire class of products and not some version of it to the potential client. The company notifies them that the product exists and what benefits it has to offer to the client.

The problem arises when the client shows no interest in the purchase. This is because they are still learning and finding out about the product and they do not yet know whether or not they truly need it.

Instead of trying to find more information out through the "Attention"

phase, clients use case studies, virtual seminars, company websites and other tools. This analysis supplies basic information about the product or service and lays out potential benefits. It helps them understand whether or not the given product or service is interesting enough for them.

Interest phase

A potential client that is aware of the type of product or service that a firm is offering them may show interest in it.

The Client is sold the main benefits relating to the relevant product or service in the "Interest" phase. In the "Interest" phase, the company tries to interest clients in the relevant type of product or service by comparing their characteristics with those of similar solutions available on the market.

If e-mails are sent to clients in the "Interest" phase, they should also be offered a download of a hardback version or product data sheet. Client needs in relation to the offered products should quickly be identified at this stage after which they should be made aware that the products or services provided by the firm are exactly those solutions that the client is after.

Decision phase

At this phase, clients decide whether the product or service meets their expectations to the extent that they would be prepared to make a purchase decision.

Here, the focus should be placed on the values of the offered products or services: their quality and uniqueness. Here, care should be taken to ensure that the given type of product is within the purchase resources being considered by the client. If the same kind of product can be found in an offer of a different brand, it is probable that the client has also been introduced to these resources.

Clients in the "Decision" phase should be presented with the offer through a product data sheet in analogue form, a product comparison engine, and it should be clearly laid out to them why the proposed product version or service is the very best on the market. At this stage, client references should also be made use of: "Don't take our word for it. Let our clients speak for themselves, telling you just how good our product or service is.

At the "Decision" phase, one of the important issues is focusing on where the clients can buy the product, how easily accessible it is, what kind of support they can count on, and what other useful information they can obtain. It probably will not be possible to convince the client to make the purchase of a given product or service at this point in time, but it may be possible to interest them in a free-of-charge thirty-day path that can bring them to make the buy.

Action phase

At this phase, potential clients buy the product or service. They decide on the specific seller or service provider and then contact them, they make their own way to the store or visit the e-commerce site, after which they go ahead with the purchase transaction.

In the "Action" phase, clients should be provided with the reasons for the purchase at that given time. This is the time when they are presented with special offers like rebates, 30% discounts, coupons with expiration dates (e.g., to be redeemed within the next two weeks, entitling to a 50% discount), etc.

A quick reaction is required to get the appropriate strategy out to a client that is already set on buying. Nevertheless, a rebate offer should not be made to clients at the "Attention" or "Interest" phase. These clients are still looking for information about products or services because they are still uncertain as to whether or not they really want make the purchase.

Moreover, if potential clients visit a website of a given company over 20 times, they are probably on the "Decision" or "Action" phase. In this case, it is the time to send them a special offer since they are probably interested in the purchase. They do, however, need an additional incentive that will incline them to take action. They should not be sent an analogue version of the offer or a product data sheet (unless at the request of the interested party) as these clients have already gathered the necessary information.

Involvement in the process

The position of many people in a given organisation depends on the involvement in the lead generation process, which is why any changes implemented to the lead generation strategy will either have positive or negative repercussions on these people. A well-planned management strategy will help maximise the positive effects and minimise the negative ones, whereas a badly planned management strategy will have the opposite effect; it may disrupt the correct course of the lead generation process and, at the same time, give rise to chaos in the organisation.

A well-planned lead generation management strategy will enable:

- The gradual or regular streamlining of adopted lead generation tactics,
- The adoption and implementation of new lead generation tactics with minimum problems and without having to wreck the budget,
- Checking and measurement of the outcomes of the adopted tactics,
- A comparison of the adopted lead generation tactics with others to allow pinpointing which of them achieves the expected results and is cost-effective from the point of view of the company's interests,
- An involvement in the process that is adequate to the incurred outlays and the staffing resources,
- Obtaining a positive rate of return on investments (ROI), which may justify increasing the marketing budget.

Development of the management strategy and targeting

In general, the main objective in the lead generation process should be harnessing the largest number of tactics designed to benefit. When specifying the firm's own lead generation management strategy, the set objectives should be focused on three areas:

1. Maintaining or exceeding solicited client limits,
2. Using the highest quality tactics in one's own organisation and concentrating own efforts on tactics that will provide the company with

the largest number of high quality leads which will help maintain appropriate lead limits,

3. Using the most cost-efficient tactics in an organisation.

Maintaining or exceeding solicited client limits

In terms of the number of potential clients that the firm wants to gain, the set targets should be relatively general. The exact number of potential clients that can be solicited using any given lead generation tactic or any combination of tactics is impossible to foresee. It cannot be said that: "My target is to solicit 1,000 potential clients per month through actions based on direct marketing and 2,000 potential clients per month using search engine marketing. "It would be like saying: "In the summer, I will plant 1,000 seeds of corn and harvest exactly 10,000 ears of corn". (David T. Scott. *The new rules of Lead Generation: proven strategies to maximize marketing ROI*. Publishing house: Amacom, 2013).

However, if an organisation possesses its own sales team, it is possible to hold them responsible for recruiting an appropriate limit of leads each month. Sometimes it is worth setting targets in line with these limits. As an example, if the adopted limit is set at 2,000 leads per month and the team only acquired 1,500, the organisation is perceived as not profitable. The goal can be assumed to involve soliciting 2,000 potential clients per month and maintaining the same limit for three consecutive months and even for the remaining part of the year.

If the team manages to reach the limit of 2,000 potential clients set for a given month, it can be assumed that it is capable of exceeding this limit. Aiming at achieving a target of 3,000 potential clients in a given period will bring recognition both to the team that managed to meet this target as well to the enterprise and, importantly, will put the company on the path to growth.

Use of highest quality tactics

In order to maintain the appropriate lead limits, marketing efforts must focus on the implementation of such lead generation tactics that will ensure that the organisation wins the largest number of high quality potential clients.

How to identify which tactic is the best for an organisation? Each of the available tactics should be checked and the results obtained should be compared.

Use of most cost-efficient tactics

Apart from the implementation of tactics that enlarge the resource of customers ready to make a purchase, the aim should also be to harness the most cost-efficient tactics from the point of view of the firm's interests.

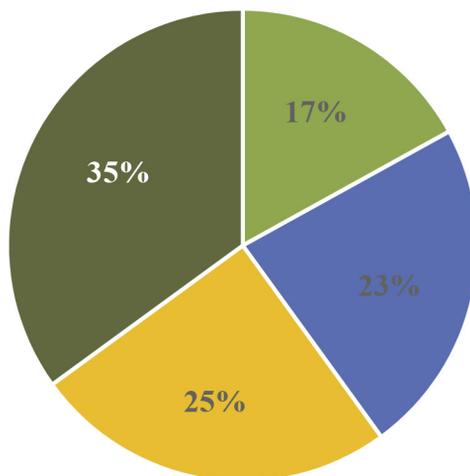
Furthermore, a plan should be devised for the classification and implementation of the acquired lead requirements. Even if a company has a stable lead classification system, it should make sure that it is capable of appropriately managing additional leads in order to generate maximum benefits from them. If an organisation does not want to invest in lead generation based on a new tactic, the leads fall through because marketers or sales staff employed in the company are not sure of what they can do with them.

When presenting the new lead generation implementation plan to the Chief Financial Officer or to the Management, one should make sure that they are aware of several factors. Firstly, that the implementation of the new tactic will require (where possible) security notwithstanding the budget adopted for lead generation. Should this condition be impossible to meet, it is important to look at the possibility of acquisition of a portion of the expenditure earmarked for the implementation of already adopted but less cost-effective processes.

As an example, if the marketing department has planned to take part in ten trade fairs per year and these fairs will not bring the expected results, the possibility of resigning from the organisation of these unquantifiable portions should be considered. The funds foreseen for this should be allocated to the execution of a new lead generation tactic.

The Chief Financial Officer must be aware that the implementation of new lead generation tactics is a "trial and error" process. The marketing department will most probably require several tests to be performed with the new lead generation tactic before they learn how to harness the benefits stemming from it within the organisation. Above all, the Management Board should understand that the overriding objective of the newly implemented lead generation tactic is to increase the number of active leads, thereby increasing sales and company revenue in the long-term.

Figure 9. Lead generation campaign aims



- Number of leads — number transmitted to the sales department 17%
- Number of leads — newly generated leads 23%
- Lead quality — based on sales acceptance 25%
- Lead quality — based on sales conversion 35%

Source: B-to-B Lead Generation: Marketing ROI & Performance Evaluation Study, MarketingProfs Research Insights, MarketingProfs, LLC, 2008.

The quality of the lead is the most important lead generation campaign aim for 60% of the surveyed marketers compared to 40%, for whom the number of generated leads constitutes the most important objective of their actions, out of which more than one third of marketers are working on generating quality leads based on the conversion factors. This category is the most adapted to the profitability management of marketing campaigns among the four presented in the study. For 25% of the respondents, the most important goal is soliciting quality leads based on the acceptance of a sale. In the remaining two categories in which the most important lead generation campaign aim is the number of leads generated, 23% of the respondents stated that the number of leads generated is important and 17% that the quality of leads passed on to the sales department is the most significant.

New tactic adaptation

If we want to implement new lead generation tactics in an organisation, this requires the development of an appropriate management plan. However, immediate success should not be expected with this. First of all, the first skill to be mastered is how to efficiently utilise the new tactic. Then, the results obtained should be analysed, which in turn will prove how good the new tactic is for the company and compared to the lead generation tactics already harnessed.

On the stage of implementing new lead generation tactics, a new plan specifying the organisation's expectations in relation to it should be drawn up. The budget for their testing should also be set, which should secure efficient budget utilisation. Moreover, the target cost of each potential lead sought should also be assessed and the budget should be managed in such a way as to ensure that this target is met.

Power of testing

Lead generation is, frankly, more a science than an art. It is based on process, best practices, and continuous testing and improvement. As noted, the company with the best process wins. Smart marketers focus on each step in the process, looking for ways to make it more efficient. The end result pays off in lower costs and higher conversion rates to sales.

Continuous testing and measuring the results of the level of involvement in the lead generation process is critical. The art of effective lead generation management is based on understanding which of the tactics will generate the most beneficial leads for the company and then on their ongoing utilisation.

Without the testing and measurement of results, the answer to the question of which tactic is the most effective for an organisation cannot be obtained. Without these grass roots measures, it is impossible to find out which of these tactics will supply the largest number of quality, effective leads. It also cannot be ascertained which combinations of tactics should be used to generate the greatest possible number of leads. Moreover, the ROI cannot be measured for a given lead generation campaign.

When using the lead generation process, one must also be aware that a part of the earmarked budget must be allocated to the testing of new tactics and that such tests have to be conducted. If the lead generation budget was set to a million dollars per year, 10% of it has to be allocated to the testing of new tactics for the process. When utilising the lead generation process, one should never resign from the testing mode, even if a given tactic brings expected results.

Tactic testing

Checking the outcomes of individual lead generation tactics is just the first step. Apart from this, the tactics adopted between them should be checked and measured until it can be ascertained which of them will produce the best results. A greater proportion of the marketing budget should then be allocated to the tactics that deliver the highest quality and most effective leads from the point of view of the firm's interests.

In order to test tactics between them, a base tactic should be adopted (commonly referred to as a steering tactic) as well as a testing tactic. The base tactic is the lead generation tactic that is being used at a given time. Whereas the test tactic is the one that we want to check against the base tactic. This does not have to be a new tactic and can be one that was used earlier. Once the lead generation campaign has been developed for the test tactic, its results should be measured against the base tactic in order to find out which tactic provides the most leads and is more profitable.

Once the test tactic has been checked against the base tactic, it is possible to move on to defining which of the tactics are primary and which are secondary. Primary tactics are most effective and profitable in generating leads for the organisation. Once the primary tactics have been identified, more funds should be allocated to them from the marketing budget. There can be more than one primary tactic. For instance, after several tactic testing series, it is possible to ascertain that two or three tactics used by an organisation (e.g., direct marketing, e-mail, social campaign) furnish the same number of high quality leads, all of which are relatively profitable. In this situation, a significant portion of the marketing budget should be focused on their utilisation.

Secondary tactics are those that can be less effective and/or less profitable than primary tactics. Less funds should be allocated to them from the marketing budget. However, secondary tactics should not be completely abandoned just because they do not generate so many leads and/or are not as cost-effective as the primary base tactic. Indeed, one should never be convinced that the secondary tactic does not work. It may still prove to be useful in a situation where the effectiveness of the primary tactics falls and the need will arise to double them in order to make up for the lead limit differences.

The testing of tactics between them is an ongoing process. The results for each of the tactics used should be constantly checked and the outcomes for primary and secondary tactics should be compared. Over a period of several months or years, the primary tactic may not work as well as it does now. Both the needs and the objectives of an organisation can change, the target client may change, or the very tactic can evolve in such a way that it stops working as well and its use is no longer feasible from the point of view of the organisation's interests.

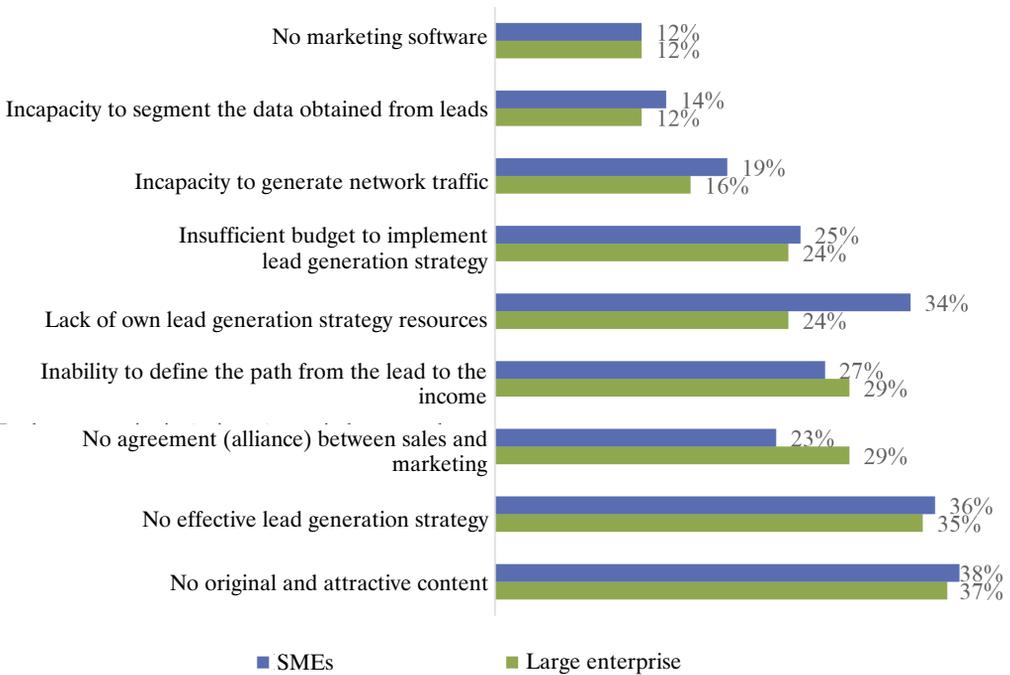
A comparison of the results of performed tactic tests provides the answer to the question of which primary tactic stops working as well from the point of view of the firm's interests and when the secondary tactic can start working better and/or becomes more profitable. If the secondary tactic is better than the primary tactic at any given time, it should be taken as the new primary tactic and, at the same time, a bigger budget should be earmarked for it.

Interpretation of results

Testing should not be performed in order to improve or avoid mistakes. There are no errors in the testing of lead generation strategy tactics. The point of the testing is determining which of the tactics, whether primary or secondary, work better for the company.

The testing stage enables experience to be gained, which supplies significant data on how the testing of other lead generation strategy tactics can be performed. The results of correctly conducted tests identify which of the tactics should be abandoned or used less frequently in favour of more effective ones.

Figure 10. The most difficult obstacles in the achievement of important lead generation strategy objectives b



Source: 2014 lead generation benchmark survey: trends by company size, Marketing Advocate in partnership with Ascend2.

The lack of own resources for creating original and attractive content may be a weak link in the lead generation strategy, although effective, particularly in the case of small and medium enterprises.

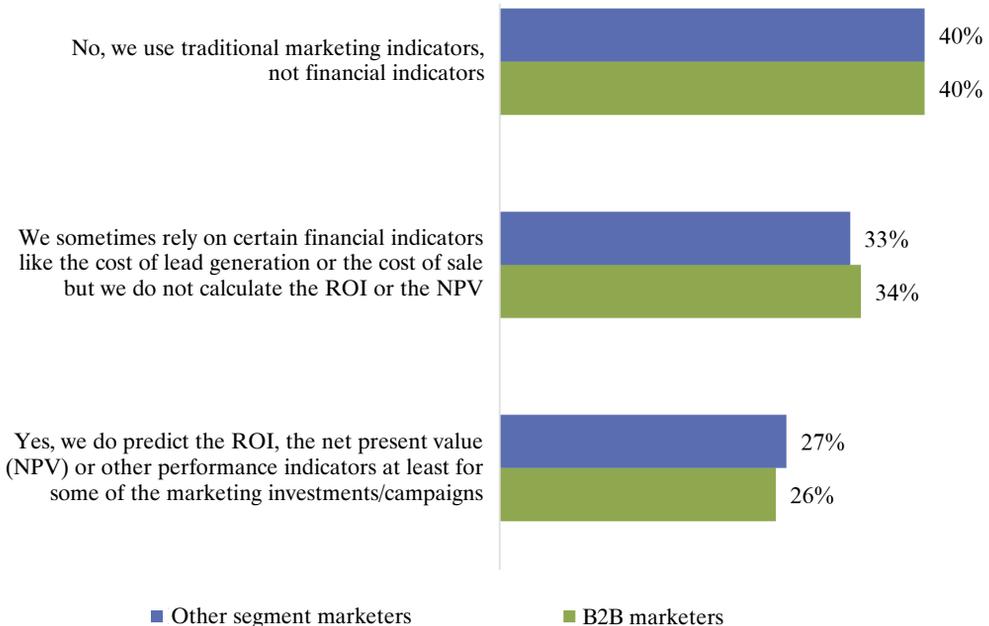
**Measurability of effects.
Determination of ROI**

The return on investment (ROI) is a benefit or return obtained from marketing actions measured in relation to their costs. By testing the results of the lead generation process, it is possible to measure how the organisation invests its budget and time, which in turn allows the number

of potential clients and sales to be increased. This enables an assessment to be made of what worked and what failed, of the areas that require improvement and the areas that need a greater budget allocation.

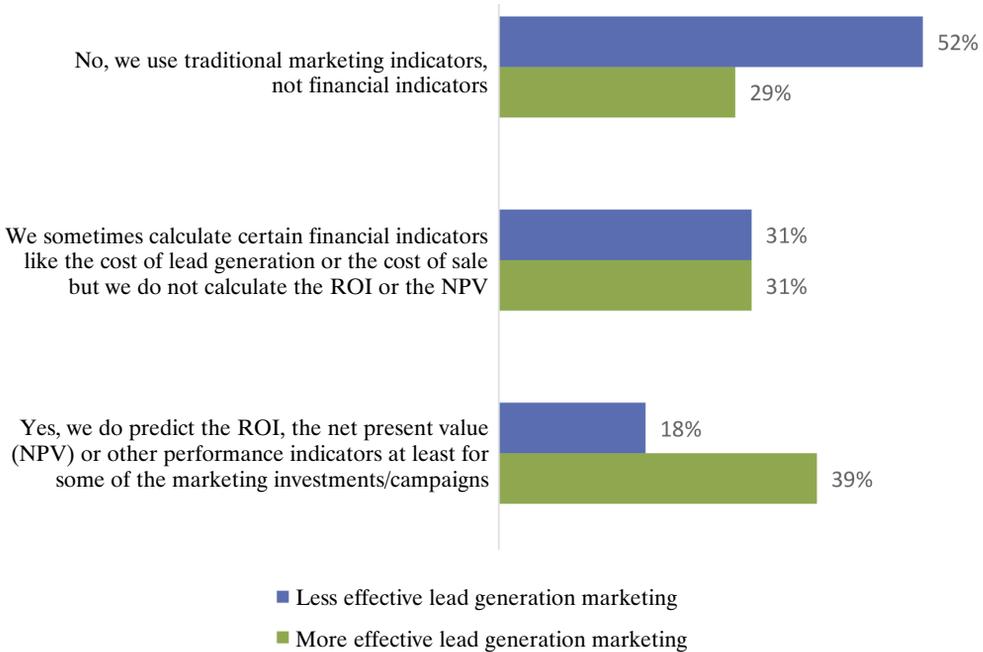
B2B and other segment marketers were asked whether the marketing rate of return, ROI or similar financial indicators are calculated in their companies, allowing marketing effectiveness to be evaluated. The responses of marketers using lead generation strategies in all cases were relatively coherent and the test failed to demonstrate significant differences in the respondents. It follows from the study that one in four marketers take the calculation of ROI into account when determining the effectiveness of the implemented marketing actions.

Figure 11. The use of the ROI ratio and other financial indicators
— B2B marketers versus marketers of other segments



Source: B-to-B Lead Generation: Marketing ROI & Performance Evaluation Study, MarketingProfs Research Insights, MarketingProfs, LLC, 2008.

Figure 12. The relationship between the use of ROI and other financial indicators and the development of more or less effective outcomes of the lead generation campaign



Source: B-to-B Lead Generation: Marketing ROI & Performance Evaluation Study, MarketingProfs Research Insights, MarketingProfs, LLC, 2008.

As mentioned earlier, one in four marketers take the calculation of ROI and other financial indicators into account when determining the effectiveness of the implemented marketing actions. The results of the above study demonstrate that for 39% of B2B segment marketers the use of ROI or another profitability ratio contributes to developing more effective outcomes in the lead generation strategy in relation to the competitive 18% generating less effective results.

In the last decade, the Marketing Department Director or her/his deputy have become the members of the management board most commonly made redundant. This was because marketers were the last persons that did not take into account and did not take measurements of the ROI when planning actions. Thus, even before the 2008 economic slowdown, shareholders pushed for companies to become more responsible.

With the development of information technologies, both budgets and ROI ratios have become more measurable. As a result, good managers and management staff have learnt how to present the effects of their actions properly. This has allowed the set budget amount to be justified and time and invested funds required to ensure the company gets returns to be determined. Thanks to the measurability of effects, the results and benefits of potential actions can actually be predicted. Unfortunately, many marketers are afraid of the effects of their actions being measured, thus, hiding behind the immeasurable. In the meantime, thanks to the IT revolution, the measurability that the internet channel is characterised by enables the right marketing decisions to be made and, thus, an improvement in results. The utilisation of such possibilities can contribute to the strengthening of the marketing position in an enterprise and greater impact to be exerted on company management.

Conclusions

Irrespective of whether the company employs five employees or is a huge trillion-dollar enterprise, both of them want to lead their businesses towards continuous development. Today, every marketer knows that the purchase of advertising in the press or the purchase of a potential list of clients is insufficient to effectively run a business. Marketing has changed. Today, in order to properly develop one's business, one has to reach clients via different sales channels like the social media, search engines, websites, events and many others. By creating a well-thought-out lead generation strategy that enables qualified, quality leads to be solicited, the effective development of conducted business activities becomes possible. The uniqueness of lead generation is in the diversity and multichannel nature of the possibilities created by strategy.

Effectiveness in lead generation strategy eliminates the risk that may arise in contacts with potential clients. The continuous execution of the lead generation process enables enterprises to be protected against periodic declines in sales. Moreover, it safeguards against wasting the budget on very costly campaigns that fail to deliver the desired results.

Lead generation strategy is a combination of many different methods of action that are interlinked to create a multichannel plan of "attack". If the objective is to achieve success and develop the business, all the attention cannot be focused on one tactic alone with the rest being ignored.

Maintaining a "pipeline" through which a stream of potential clients flows is incredibly important in the current economic situation. It is so important that consistent lead generation in reality is imperative for the company to survive. Present business space is reeling from new competition. Budgets are shrinking and both marketing and sales teams are being pushed to their limits to generate more for less. Marketing, due to its competencies, should be responsible for the actual lead generation process, for ensuring that — in line with the definition — the generation of a qualified lead was duly respected and measurable. Marketers must have the right perspective that will allow them to assess when a generated lead is ready for sale. This will equip them to manage the entire process more effectively and to calculate ROI and the net revenue share over the initial outlays incurred more efficiently.

The use of the tools that lead generation provides enables the client to be swiftly and effectively reached. The actions undertaken within lead generation are an effective solution for business, which, by supplementing the information pertaining to clients and their expectations, enriches the data pool held. Expansion of the customer base with the use of actions focused on lead generation possesses many advantages. The most important include the high rate of creation of databases of entities classified in the marketing action target group. The quality of the data obtained is also not without significance. The marketing services market currently offers many tools that are conducive to tangible growth in lead value. These methods can be applied especially in the case of specific data like an e-mail address or telephone number. The verification of such data can be done in various ways. This information, on the one hand allows the costs required for the acquisition of consumer data to be reduced and, on the other, databases to be relatively quickly created and full control over the entire process to be obtained.

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