

Strategic Marketing delivers sustainable growth



One Step Marketing versus Lead Generation

A large number of businesses rely on advertising as a marketing approach. Advertising can be a very powerful marketing tactic whether in direct mail, newspaper, periodicals, television, web or other approach. The key to success is the content of what is on offer to the potential customer.

Having made the decision to use advertising it is equally important to ensure you are in a position to measure the return from the investment. So let's compare two quite different approaches.

The first is one-step marketing where you make an offer to your potential customers with a singular response mechanism; buy now and they accept it. This is the approach using by over 90% of advertisements. If the customers hot on your offer they will respond but if they're not they're gone. If you are really good you may achieve your goal; selling your stock, signing up a number of customers for a service or something else. You on the other hand may not reach your goal because some customers may not be ready for what you're offering just yet.

I've seen some wonderful one-step marketing initiatives that have converted up to 20% of their potential market but this is the top end of range. So how can you increase your success?

At this point we need to consider **lead generation**. Lead generation has a different focus. Your objective is to capture the interest of all of your potential customer base (entire market). Once captured the focus switches to nurturing them until they are ready to purchase your product or service.

If we look at things from a customer's perspective, there will be a number of different reactions to your approach when it's viewed:

Customer reaction

- | | | |
|----|--|------------------|
| 1. | Awesome, I want some of that, I'm buying! | Boiling |
| 2. | Awesome, I'll need some of that soon | 50 degrees |
| 3. | Sounds good, it's something worth looking at | Body temperature |
| 4. | It's worth considering | Room temperature |

If they are boiling, you'll sell to (best case) 20% of your potential market. But a one-shot advert will only capture these. The other constraining element to bear in mind with advertising is that you are limited to the amount of space or time you are able to purchase. This is often a financial

constraint. You wouldn't take out a full page advert for a \$10 product unless you're making about \$9.50 per product and you are confident you'll sell several hundred.

With lead generation you will still sell immediately to the boiling customers and you can switch the other potential customers to another communication path. Then define what you do for the customer on your own terms by educating and nurturing them over time. Each potential customer or lead will switch to a buyer at their own rate.

Lead generation is marketing to those that are interested after capturing their contact information and then communicating with them on a regular basis until they are ready to buy. Don't fall into the trap of just educating them; make sure that every time you communicate (newsletters, articles, meetings, etc.) that you include a call to action.

Earlier we mentioned nurturing potential customers; we would have been more exact if we said educating them. Education means you change

- customers who are not ready to buy now and push you away ... to
- customers who listen, have more time to understand the benefits and eventually are more likely to buy.

You have the time to inform customers about why they should choose you or your product rather than your competitors. Equally important you can determine the timeframe in which this happens (usually when you are not too busy to give them the time so you can exceed their expectations).

This changes the dynamics of your business and your pricing. The reality is you will become more profitable because you will also sell to the room temperature customers who you have brought to boiling point! So what are options when you are considering taking the lead generation path?

- Use PR rather than single-offer advertising
- Write a book
- Write a press release
- If you have a website start a blog
- Send them a newsletter

To summarise the benefits of lead generation:

- It will capture everyone that wants to buy your product or service now or may want to in the future.
- It provides you with alternative ways to communicate with your clients; email, video, web, newsletter, etc.

- You can select how you communicate with them in the future and the potential customers may all prefer different media.
- You will have to spend more money marketing to them but over time you will convert significantly more than the one-step approach
- You have more real estate (not constrained by space or time) to educate your potential customers on the benefits of becoming a customer.

By taking this different approach – using Lead Generation for your business - you can dramatically increase your success. We would love to talk to you about it. Call Craig or Shireen at Better Business by Design and let us show you how to get started.