TOTAL COST OF DEMAND

WHY YOUR PAID LEADS COST MORE THAN YOU THINK

AUDYENCE

WHAT'S INSIDE THIS EBOOK:

1. WHAT IS TOTAL COST OF DEMAND?

TOTAL COST OF DEMAND (TCD) IS THE HOLISTIC CALCULATION OF YOUR INVESTMENT - AND THEREFORE RETURN ON INVESTMENT - FOR RUNNING PAID DEMAND CAMPAIGNS.

2. COST PER LEAD

COST PER LEAD (CPL) IS THE FIRST - AND OFTEN ONLY - CALCULATED VARIABLE AMONG MARKETERS. IT'S FULL OF INCONSISTENT AND INFLATED PRICING MODELS THAT CAN DRAMATICALLY DECREASE YOUR ROI. AND IT'S ONLY THE TIP OF THE ICEBERG.

3. VALIDATION COST

THIS IS THE COST INCURRED BY SETTING UP A VALIDATION TECHNOLOGY TO VERIFY THE LEADS YOU'VE PURCHASED. THIS COST IS A FUNCTION OF A "PER RECORD" VERIFICATION FEE AS WELL AS AN ANNUAL TECH FEE DRIVING UP YOUR EFFECTIVE CPL QUICKLY.

4. RESOURCING COSTS

THESE COSTS OCCUR WHEN REDUNDANT AND OVERLY MANUAL PROCESSES ROOTED IN NON-AUTOMATED WORKFLOWS PILE UP. YOU AND YOUR TEAM WILL FEEL THE BURDEN OF THESE MANUAL PROCESSES - AND SO WILL YOUR POCKET.

5. COST OF DELAY

TYPICALLY OVERLOOKED COMPLETELY, YOUR COST OF DELAY IS IMPACTING YOUR PIPELINE CREATION AND SLOWING YOUR DEAL CYCLES. EVERY DAY YOU'RE NOT IN-MARKET IS CONTRIBUTING TO TANGIBLE OPPORTUNITY LOSS.

6. HOW DO I DRIVE MY TCD DOWN?

KNOWING YOUR OVERALL TCD IS THE FIRST STEP. UTILIZING AN AUTOMATED AND TRANSPARENT TECHNOLOGY TO CENTRALIZE YOUR GO-TO-MARKET EFFORTS IS THE NEXT STEP. WE'LL INTRODUCE YOU TO **THE AUDYENCE REAL TIME DEMAND PLATFORM.**

WHAT IS TOTAL COST OF DEMAND (TCD)?

AN ACRONYM WORTH UNDERSTANDING

Don't kill the messenger.

You're probably operating your paid demand efforts with a lot of wasted dollars. The good news is that there's a solution to this. We'll get to that later. But first, knowledge is power and knowing how to assess **TCD (Total Cost of Demand)** is where to start.

The true cost of demand goes far beyond your media spend. It's layered with hidden fees, operational inefficiencies, compliance risks and revenue opportunity costs that most marketing orgs never track but absolutely feel.

What may look like a $40 CPL on a spreadsheet is often a $70+ effective CPL in reality.

In this eBook, we'll unpack the four most overlooked cost centers in paid demand and show you how they erode your budget, slow down your pipeline and exhaust your team.

The cost centers? Here they are:

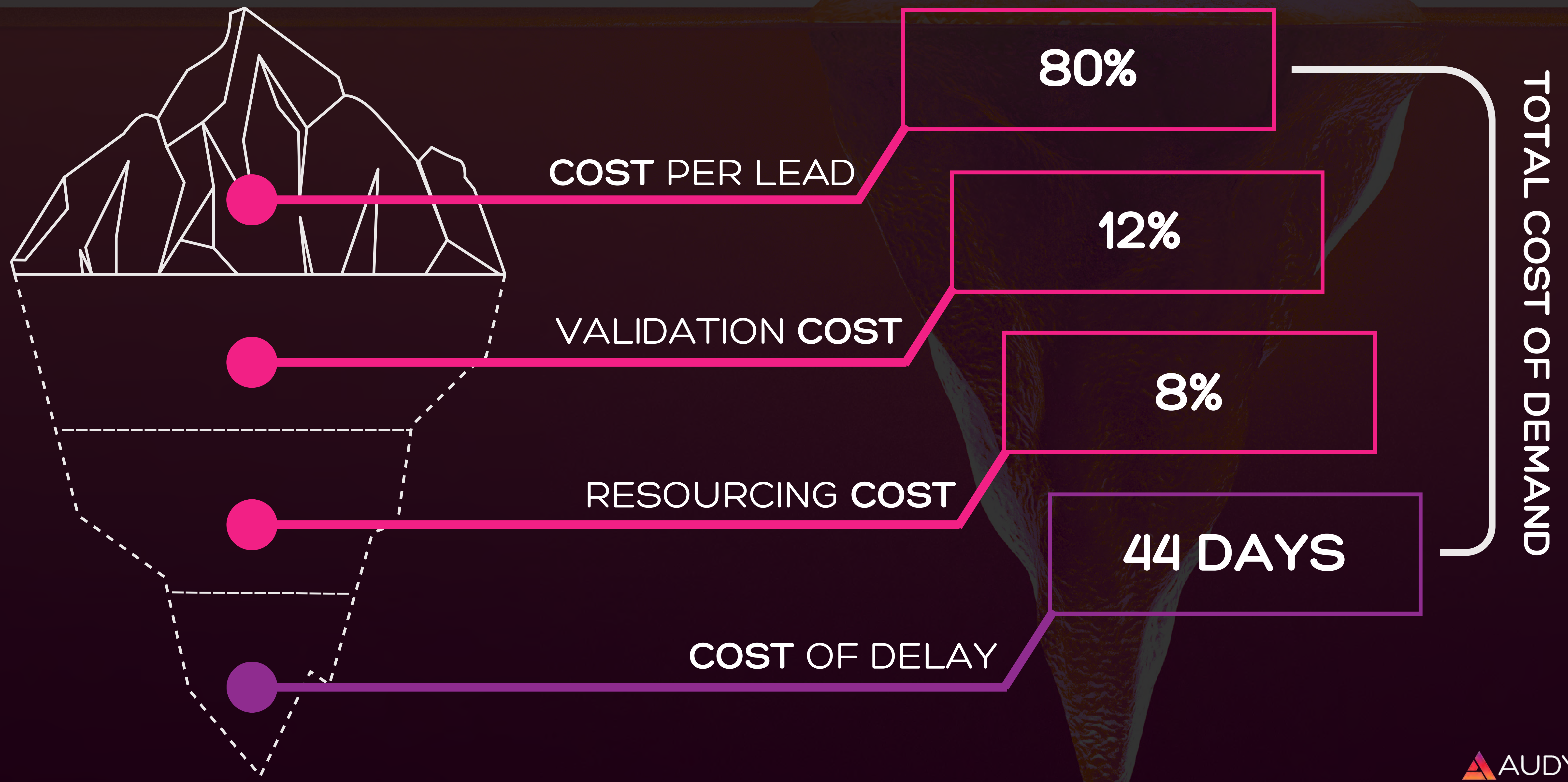
- **Cost Per Lead:** The illusion of fixed pricing and the chaos of lead brokers
- **Validation Cost:** The hidden "tax" of "cleaning" what you've already paid for
- **Resourcing Cost:** The team burnout and procurement drag you're not budgeting for
- **Cost of Delay:** How manual workflows and slow launches sabotage pipeline velocity

Our goal is to equip you – the Modern B2B Marketer – with the insights you need to audit your current programs, make smarter decisions, and unlock real, scalable demand that drives revenue.

Let's begin by taking a look at the average contribution to TCD by each of the four cost centers you may not be factoring into your spend...

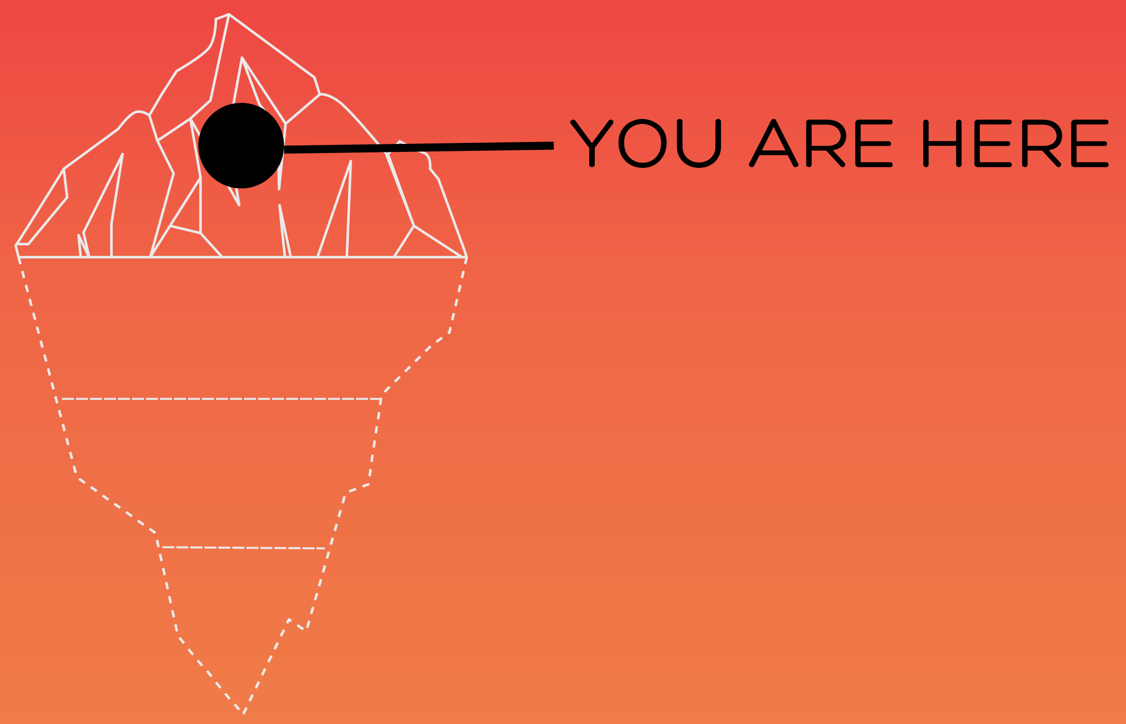
WHAT IS TOTAL COST OF DEMAND (TCD)?

THE FOUR COST CENTERS AND HOW THEY ADD UP



CHAPTER 1:
COST PER LEAD (CPL)

THE TIP OF THE ICEBERG



At face value, CPL is often treated as the most straightforward metric in paid demand generation. A simple price tag per lead. But we don't take anything at face value here and nor should you.

Be careful when you peel back the curtain – you won't like what you [don't] see.

CPL is frequently inflated tremendously and distorted by a chaotic, opaque ecosystem of lead brokers and resellers. **The lack of transparency and control** means Marketers are paying premium prices for leads of unknown origin and limited conversion potential with no visibility into how to optimize at the source.

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TRADITIONAL LEAD BROKERS & RESELLERS:

1 BLOATED PRICING STRUCTURES

Lead Brokers and Resellers often bundle and markup costs from *unknown third-party sources*. Typically at a rate that is 7-10X what they're paying for the lead itself - and then selling those same leads back to you. The rates are pre-negotiated with very few providers so they can increase their margin which also means you're likely fulfilling your campaign through maybe one or two sources, limiting your scale and overall campaign exposure.

2 ZERO TRANSPARENCY = ZERO OPTIMIZATION = A ZERO SUM GAME

When you don't know the original source of a lead (the actual Publisher promoting your content), you can't identify what's working, or why it is or isn't working. That's a Marketer's inherent nightmare. No source data to work from leaves you at the mercy of the black box guardian you're likely buying from. This prevents campaign optimization, A/B Testing, or even Publisher accountability.

3 NO CONTROL OVER QUALITY OR COMPLIANCE

Without insight into the original lead-gen methods or sources, you're exposed to:

- Outdated or low-quality lists
- Potential compliance risks
- The inability to optimize at the source and drive better prospect experience

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NOT-SO-FUN WITH NUMBERS:

N. AMERICA EUROPE ASIA

$50 CPL LIST PRICE

$65 CPL LIST PRICE

$75 CPL LIST PRICE

Long have CPLs been wildly inflated before typically re-sold inventory is handed back to you.

The average list price isn't just inefficient, it's chaotic. List prices can range from as low as $20 to as high as $80 - typically for the same lead. There are no standards or consistencies in this pricing which creates unpredictable spend and challenging planning for future campaigns.

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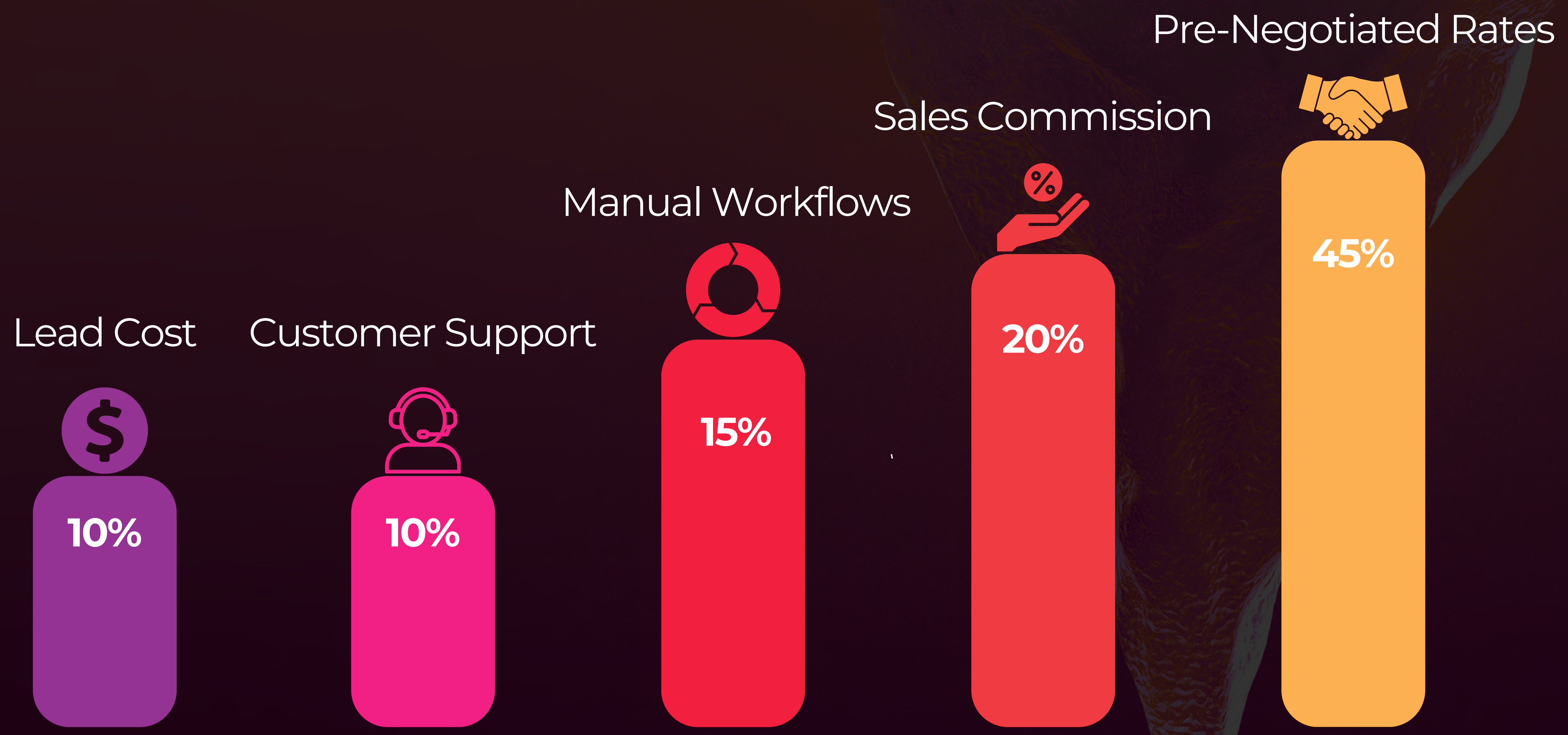
NOT-SO-FUN WITH NUMBERS:

EVER WONDER WHAT GOES INTO YOUR COST PER LEAD?
TRADITIONAL VENDORS INFLATE YOUR PRICES WHILE SLOWING DOWN YOUR LAUNCH.



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NOT ONLY ARE YOU **PAYING WELL ABOVE ACTUAL COST** USING A TRADITIONAL CPL COST BASIS THROUGH A **LEAD BROKER OR RESELLER**, BUT YOU HAVE ABSOLUTELY **NO CONTROL, TRANSPARENCY OR ACCOUNTABILITY** TIED TO THE ACTUAL SOURCE.

LEAD BROKERS AND RESELLERS ARE INTERMEDIARIES., THEY’RE **MIDDLEMEN**. THE BUSINESS MODEL IS DESIGNED TO OPTIMIZE THEIR TAKE-RATE. THESE “SERVICES” BUSINESSES INHERENTLY **SLOW DOWN** YOUR ABILITY TO LAUNCH QUICKLY, **DISSOLVE ANY VISIBILITY** INTO THE SOURCE OF YOUR CAMPAIGNS AND TAKE ALL THE CONTROL AND DECISION MAKING OUT OF THE HANDS OF THE BUDGET HOLDER (YOU!).

MATT KNIGHT
CRO, AUDYENCE

TOUGH QUESTIONS WORTH ASKING.

WHY

DON'T I HAVE VISIBILITY INTO THE SOURCE OF MY LEADS?

WHY

DOES IT TAKE SO LONG TO GET AN RFP RESPONSE AND CAMPAIGN LIVE?

WHAT

IS THE TANGIBLE VALUE OF WORKING THROUGH A RESELLER?

HOW

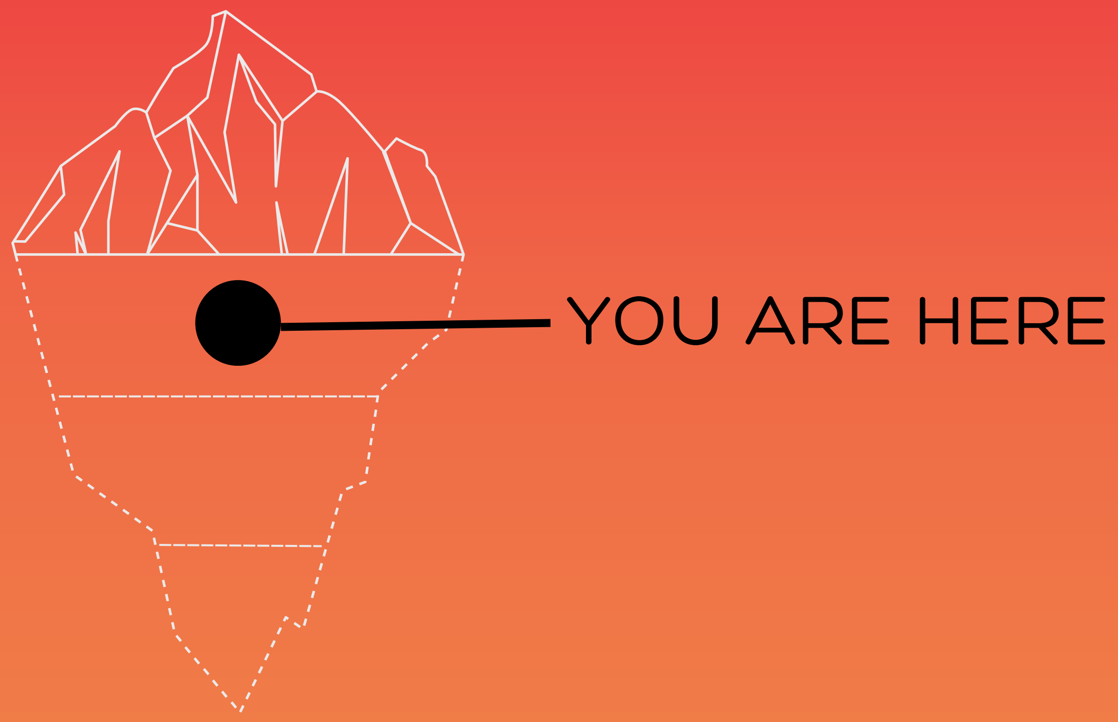
DO I OPTIMIZE CAMPAIGNS AT THE SOURCE?

HOW

DO I DECIDE WHICH PUBLISHER AND WHICH TACTICS TO USE FOR MY CAMPAIGNS?

CHAPTER 2: VALIDATION COSTS

THE DOUBLE TAX ON YOUR LEADS



They say the only two things guaranteed in life are death and taxes. Well, we disagree. At least on the taxes half of the equation – we'll get back to you as soon as we figure out immortality.

You've paid for the leads. Now you pay again to verify them. That doesn't seem right.

Validation platforms were created to help solve the quality problem in lead gen by identifying duplicates, verifying accuracy and enforcing compliance rules. While useful, these platforms often come with significant costs that marketers fail to factor into their **effective Cost Per Lead (eCPL)**.

This tax adds up fast. And it doesn't have to add up at all.

HOW UNNECESSARY VALIDATION FEES INFLATE YOUR CPL:

1 PER-LEAD PROCESSING FEES

You'll typically pay between **$1.50 to upwards of $6 per lead** just to ingest and validate each contact. This fee applies to **every single lead**, regardless of whether it's accepted, rejected or a duplicate. Ouch.

2 REJECTION DOESN'T MEAN REFUND

Leads rejected for being invalid, duplicative, or incomplete **still cost you money.** For example, by paying for any lead ingested, you may pay a $5 fee (tax) only to find out it's invalid. You now have to replace that lead but the $5 is gone. And guess what? You'll spend an additional $5 to replace that bad one and ingest again. That's a $10 tax!

3 REDUNDANT SPEND ON WHAT YOU ALREADY OWN

You're often paying to validate leads that already exist in your CRM – leads you already paid for months ago. That's a **compounding cost for no incremental value**.

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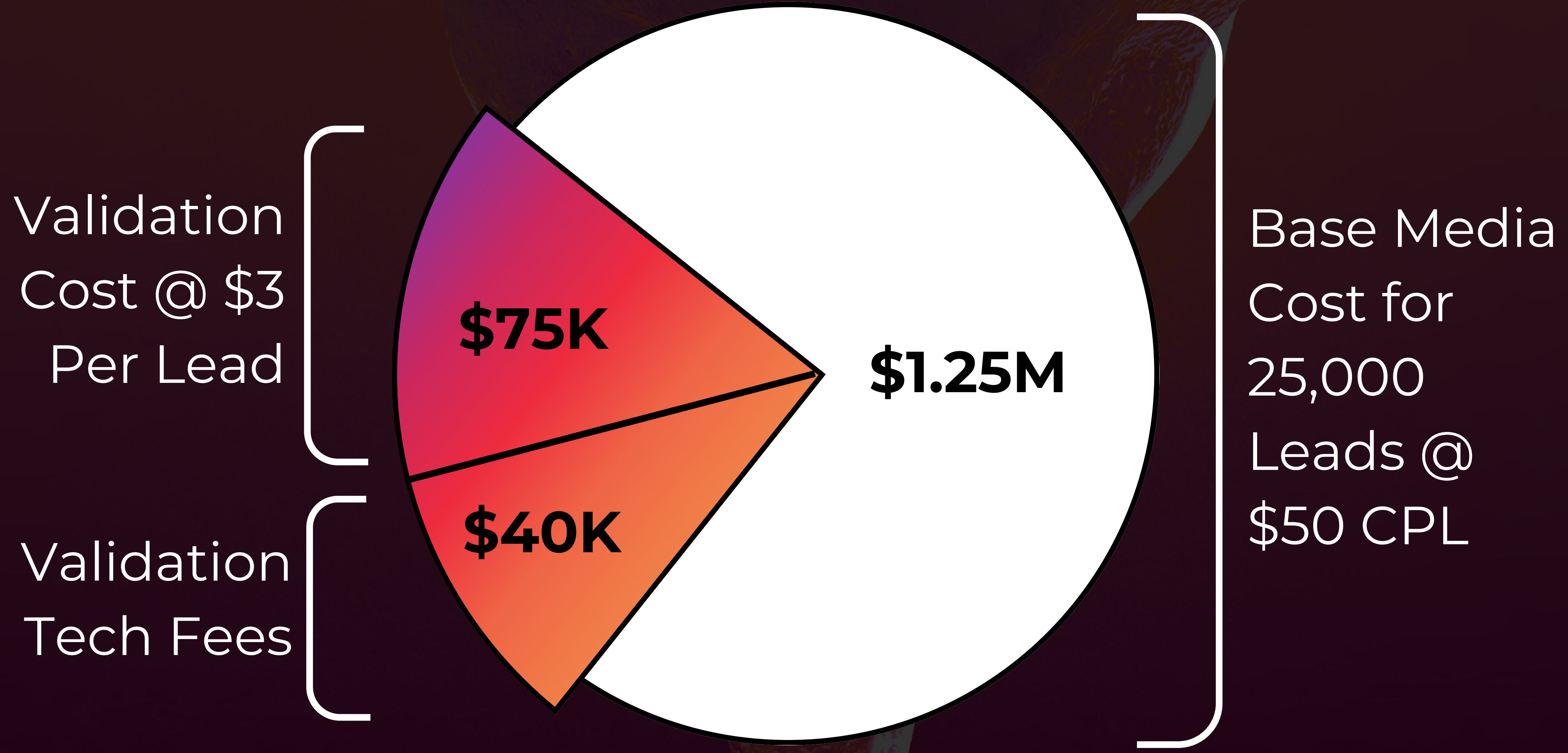
NOT-SO-FUN WITH NUMBERS:

>9%

THE AVERAGE INCREASE TO YOUR EFFECTIVE CPL



HIDDEN OPPORTUNITY COST:

WHAT THAT $115K COULD HAVE BEEN USED ON:

FUND A NURTURE PROGRAM

TARGETING WARM LEADS OR ACCRUING MULTIPLE ENGAGEMENTS FROM INITIAL CAMPAIGN OPT-INS

PILOT 4 DIRECT-TO-SOURCE TEST CAMPAIGNS

WITH BETTER SOURCE TRANSPARENCY

HIRE A FULL-TIME REVOPS OR MOPS RESOURCE

FOR BETTER INTERNAL DATA HANDLING AND ALIGNMENT

EXPAND INTO NEW REGIONS OR PERSONAS

TO SCALE REACH AND GROW YOUR DATABASE

*YOU DON'T PAY FOR THE CARFAX REPORT WHEN YOU BUY A CAR FROM A DEALERSHIP. WHY WOULD YOU PAY A VALIDATION PLATFORM TO VERIFY **WHAT YOU'VE ALREADY BOUGHT**.*

*PLATFORMS THAT **CHARGE REDUNDANT AND EXORBITANT FEES** ARE BECOMING A VERY SERIOUS CHALLENGE FOR THE MODERN B2B MARKETER. WE SEE A CPL AND ASSUME THAT'S WHAT THE PROGRAM WILL COST – UNTIL WE PEEL BACK THE ADDITIONAL COSTS AND REALIZE WE'RE OFTEN SPENDING **9%+ PER LEAD** JUST TO MAKE SURE IT'S REAL.*

***YOU'RE NOT JUST PAYING FOR LEADS**. YOU'RE PAYING TO FIND OUT WHICH LEADS YOU SHOULDN'T HAVE PAID FOR.*

MATT KNIGHT
CRO, AUDYENCE

AUDYENCE

TOUGH QUESTIONS WORTH ASKING.

WHY

AM I PAYING ADDITIONAL VERIFICATION FEES?

WHY

DO I PAY THE FEE FOR RETURNED OR "BAD" LEADS ONLY TO PAY THE FEE AGAIN ONCE REPLACED?

WHAT

IS MY ACTUAL EFFECTIVE CPL WHEN USING A VALIDATION PLATFORM?

HOW

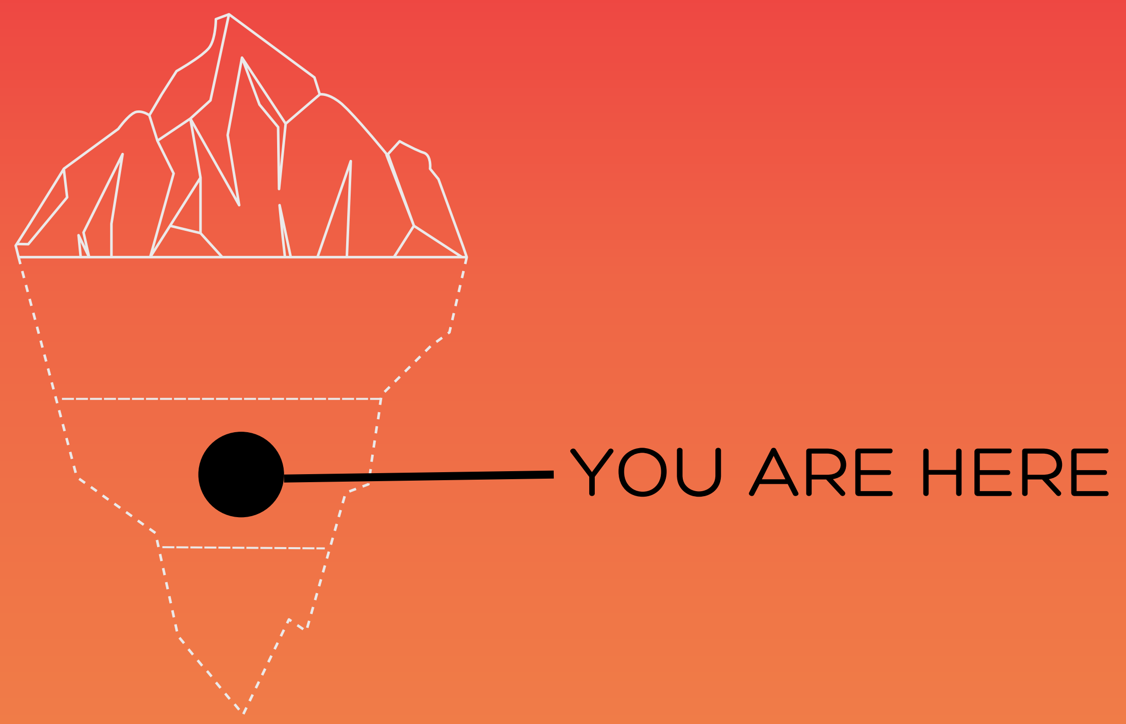
DO I PRE-PLAN FOR AT-SCALE COSTS INCURRED VIA VERIFICATION?

HOW

DO I FACTOR MY EFFECTIVE CPL INTO MY TOTAL COST OF DEMAND?

CHAPTER 3:
RESOURCING COSTS

COSTLY MANUAL PROCESSES



Behind every great Marketer is a great Team. Whether it's the Activation Lead, the Agency of Record, the Marketing Opps Team, or even Finance and Procurement, everybody has a role. They all have a **breaking point**, too.

When we look at **operational exhaust as a function of TCD** we're talking about the human resources and their associated costs with making these programs a success.

Tedious, manual and mostly redundant workflows are the biggest contributing cost. And it doesn't just cost you time or hourly wages – it can cost you good people, too.

KEY AREAS OF OPERATIONAL EXHAUST:

1 VENDOR MANAGEMENT TIME-SUCK

Every vendor being managed separately to execute your demand campaign brings **nuanced and exponential workloads** to your team. This operational overhead can be felt through increased **costs associated with hourly wages, decreased morale and creative stagnation** – it is also the biggest contributor to your Costs of Delay.

2 PROCUREMENT PARALYSIS

Procurement, Finance and Legal Teams play a critical role in vetting and overseeing the on-boarding of new vendors. Rightfully so, this is a very important job. However, this can dramatically **slow down the Marketer's target flight dates, hinder agile vendor testing** and carries its own tangible costs.

3 HUMAN ERROR

Redundant and repetitive tasks shrouded in the **management of multiple vendors all at once can lead to costly mistakes.** Many activation teams handling these processes separately, and tasked with then consolidating not only the campaign launches but the campaign performance reporting, are more likely to unknowingly commit errors tied to account list, suppression list and job level targeting.

DECENTRALIZED MANAGEMENT OF DEMAND PROGRAMS CREATES CHAOS AND MANUAL STRAIN.

On Average

TEAMS MANAGE 10 VENDORS

TO DELIVER QUARTERLY CAMPAIGNS

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DECENTRALIZED MANAGEMENT OF DEMAND PROGRAMS CREATES CHAOS AND MANUAL STRAIN.

AUDYENCE

NOT-SO-FUN WITH NUMBERS:

FULLY LOADED COST

$60 / HOUR

TIME DEDICATED TO MULTI-VENDOR MANAGEMENT

100 HOURS / QUARTER

RESOURCING COST OF MANUAL PROCESSES

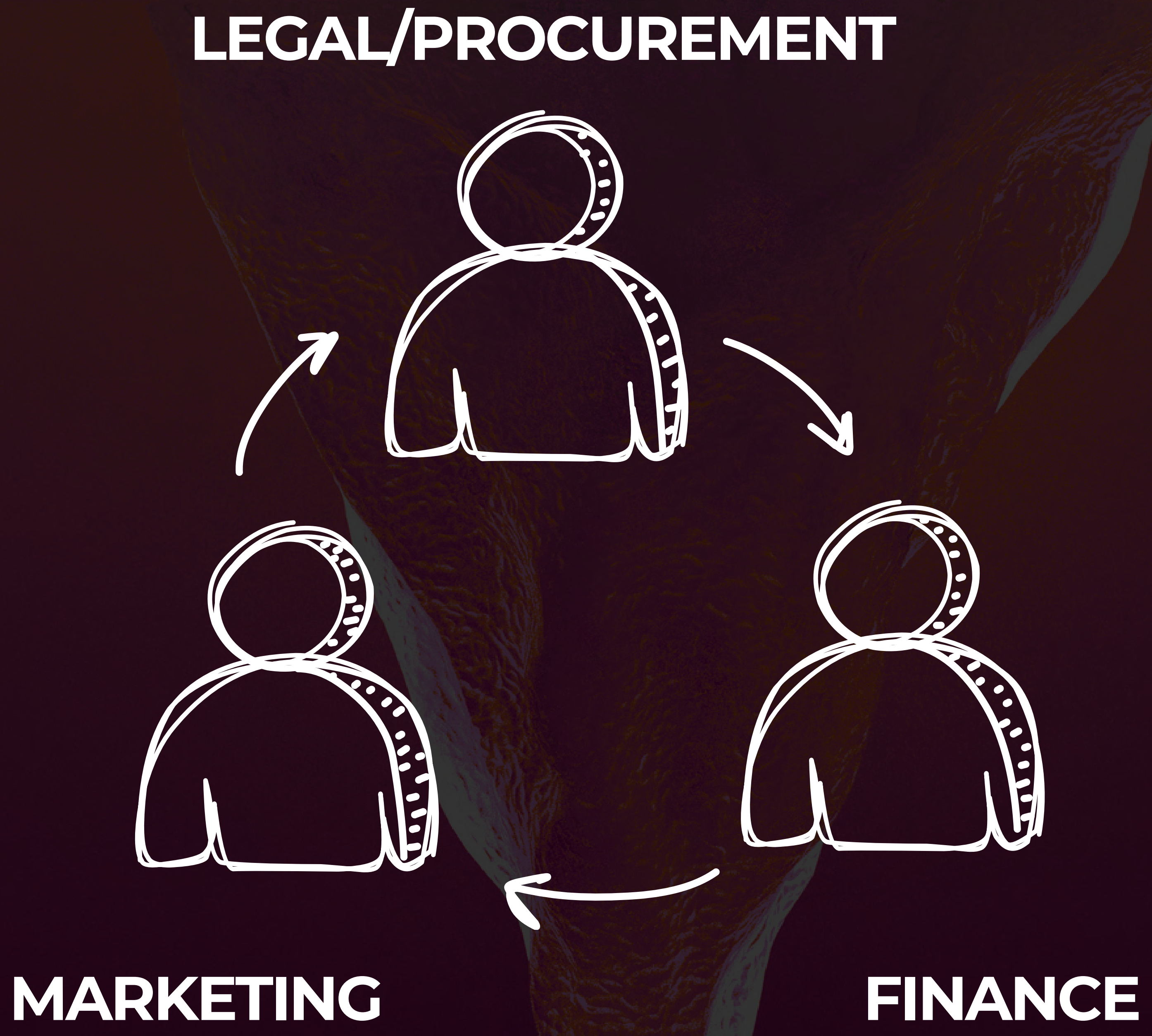
$6,000 / QUARTERLY

$24,000 / ANNUALLY

WANT TO TEST A NEW VENDOR?

4-6

AVERAGE MONTHS IT TAKES TO ON-BOARD A NEW VENDOR EVEN JUST TO TEST



MARKETING TEAMS AND AGENCIES ARE OVER-INDEXED. MANAGING ***ARCHAIC PROCESSES AND DISPARATE WORKFLOWS*** *ARE NOT ONLY INEFFICIENT, BUT IT'S EXPENSIVE.*

THE MODERN MARKETER NEEDS TO FOCUS ON STREAMLINING MANAGEMENT OF REPETITIVE TASKS TO ***FREE UP TIME*** *AND HOURS THAT COULD BE SPENT ALLOCATED TO* ***MORE STRATEGIC INITIATIVES*** *TO CREATE EVEN GREAT REVENUE IMPACT. YOU SHOULDN'T PAY EXPONENTIALLY MORE IN WORK-HOURS TO SCALE YOUR PARTNER ECOSYSTEM OR ON-BOARD NEW VENDORS TO TEST.*

MATT KNIGHT
CRO, AUDYENCE

AUDYENCE

TOUGH QUESTIONS WORTH ASKING

WHY

IS THIS PROCESS STILL SO MANUAL?

WHY

IS IT SO DIFFICULT TO TEST NEW VENDORS AT-SCALE?

WHAT

CAN WE DO TO ELEVIATE REMEDIAL AND REPETETIVE WORKLOADS BUT MAINTAIN A DIVERSE VENDOR ECOSYSTEM?

HOW

IIS THIS IMPACTING OUR OVERALL MORALE?

HOW

MUCH TIME COULD WE BE SPENDING ON STRATEGY AND IDENTIFYING NEW OR ENHANCED GROWTH OPPORTUNITIES?

CHAPTER 4:
THE COSTS OF DELAY

THE PIPELINE VELOCITY SABOTEUR

As the saying goes, good things come to those who wait. While that may apply to some things, when it comes to your Marketing budget and time-related adages, we prefer **"time is money."**

Figuratively and quite literally this is true. In the demand generation space we've grown accustomed to a very clunky, slow and overly manual means to achieve our KPIs. Marketers may not realize it but even a few days, let alone weeks, of campaign launch **delays can equate to millions of dollars in lost opportunity** and depleted sales velocity.

Let's dig in to the processes and method contributing to this dramatic swing in your **ability to drive pipeline** for the business.

ONGOING CULPRITS OF DELAYED LAUNCH:

1 PARTNER OVERLOAD (MULTI-VENDOR MANAGEMENT)

Testing new partners or vendors is best practice. However, the ongoing on-boarding of new vendors adds up quick and most activation teams are tasked with manually overseeing all these relationships to respond to, fulfill and report on campaigns. A self-inflicted deconstruction of a process that can only lead to delays and chaos.

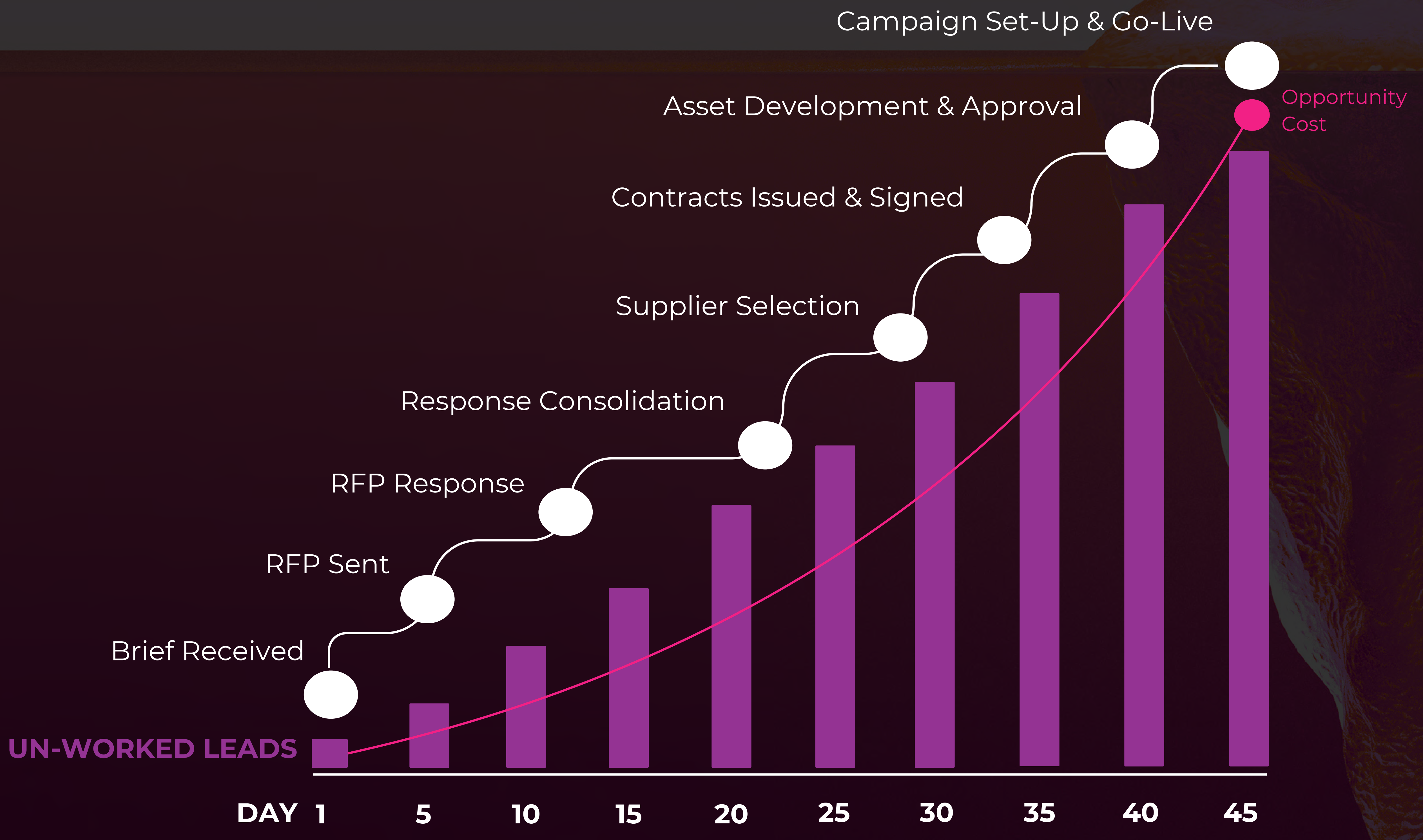
2 VENDOR GHOSTING

Unfortunately, not all vendors are created equal. Oftentimes, vendors are asking Marketers and Agencies for extensions or flat out being unresponsive to RFP sends, landing page reviews or other important requests to get a campaign live.

3 BEHIND-THE-SCENES PRICING NEGOTIATION(S)

We hate to be the bearer of bad news but responding to a RFP with volumes and CPL rates is not a science. It's certainly not an art either. Vendors – especially Brokers and Resellers – stall to evaluate maximum profit margin per campaign as they negotiate rates behind the scenes. This drives up your cost and slows down response times, delaying your launch furthermore.

TRADITIONAL STEPS TO LAUNCH:



It takes on average 44 days to get your demand campaign in-market.

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NOT-SO-FUN WITH NUMBERS:

FOR THE SAKE OF MATH LET'S ASSUME THE FOLLOWING:

QUARTERLY TARGET | 5,000 LEADS

AVG. DELAY PER LAUNCH | 44 DAYS

UNREALIZED LEADS PER DAY | 112

44 DAYS X 112 LEADS | 4,928 LEADS LOST

UNREALIZED SQL COUNT: 246

LOST PIPELINE: $12,300,000

LOST DEALS: 25

LOST REVENUE: $1,230,000

HISTORICAL PERFORMANCE | MQL-SQL CONVERSION RATE OF 5% | $50K AVG. DEAL SIZE | 10% CLOSE RATE

*MARKETERS AND AGENCIES HAVE TOO LONG BEEN AT THE MERCY OF **DISPARATE WORKFLOW MANAGEMENT** AND **INCONSISTENT RESPONSES** FROM MULTIPLE VENDORS TO EXECUTE CAMPAIGNS. I RECENTLY SPOKE TO SPOKE TO A VP OF MARKETING WHO SAID SHE HAD AT ONE TIME MORE THAN 70 VENDORS WITHIN THEIR PARTNER ECOSYSTEM TO RUN DEMAND GENERATION THROUGH.*

*EVERY DAY OF DELAY RESULTS IN MATERIAL IMPACT TO YOUR **PIPELINE VELOCITY, OPPORTUNITY CREATION AND REVENUE CAPTURE**. MORE MARKETERS SHOULD QUANTIFY THIS AND CONSIDER IT INTO THEIR TOTAL COST OF DEMAND.*

MATT KNIGHT
CRO, AUDYENCE

TOUGH QUESTIONS WORTH ASKING.

WHY
ARE WE MANAGING SO MANY VENDORS DISPARATELY?

WHY
AREN'T WE CALCULATING COST OF DELAY IN OUR OVERALL COST ANALYSIS?

WHAT
IS OUR AVERAGE TIME-TO-LAUNCH A CAMPAIGN?

HOW
DO WE EXPEDITE OUR LAUNCH SPEED MATERIALLY?

HOW
CAN WE ARTICULATE THIS IMPACT INTERNALLY ACROSS THE ORG?

TCD | HEALTH ASSESSMENT

SCORE (1-5)
1 = NOT AT ALL
5 = ALWAYS

COST PER LEAD (CPL)

QUESTION	SCORE (1-5)
I know exactly which publishers are generating each lead I purchase	____
My Cost Per Lead doesn't vary dramatically between regions (20%+)	____
I can optimize lead quality at the publisher or lead source level	____
I avoid using lead brokers or resellers who don't disclose sourcing	____
I am able to decide how many publishers participate in my campaign	____
SUBTOTAL (COST PER LEAD)	____

COST OF DELAYS

QUESTION	SCORE (1-5)
My average campaign launch time is under 2 weeks (RFP to go-live)	____
I use standardized RFP templates and vendor workflows	____
I've quantified the revenue impact of campaign launch delays	____
My sales team gets leads in a timely and consistent cadence	____
I have tools that accelerate go-to-market execution	____
SUBTOTAL (COST OF DELAYS)	____

VALIDATION COSTS

QUESTION	SCORE (1-5)
I know how much I spend per lead on validation or QA platforms	____
I include validation fees in my effective CPL calculations	____
I have minimized duplicate or unqualified lead rejections	____
I can reject leads ***before*** they hit my validation platform	____
My validation platform provides measurable ROI	____
SUBTOTAL (VALIDATION COSTS)	____

RESOURCING COSTS

QUESTION	SCORE (1-5)
My team spends minimal manual time managing campaigns	____
I use centralized systems to track campaigns, performance and delivery	____
Reporting is standardized across all partners/vendors	____
It takes less than 4 weeks to onboard a new vendor or partner	____
I've mapped the internal labor costs tied to demand gen operations	____
SUBTOTAL (OPERATIONAL EXHAUST)	____

TCD | HEALTH ASSESSMENT

HOW TO INTERPRET YOUR SCORE:

SCORE RANGE	ASSESSMENT
81-100	**Optimized Engine!** - You're running a lean, transparent, and efficient demand engine. Time to scale!
61-80	**Solid Foundation** - You have control, but some key inefficiencies are holding back your ROI. Prioritize cleanup.
41-60	**Exposed System** - You're likely bleeding budget in multiple areas. A TCD audit will reveal critical gaps.
0-40	**Ruh-Roh!** - You're flying blind. It's time to overhaul your paid demand programs before next quarter.

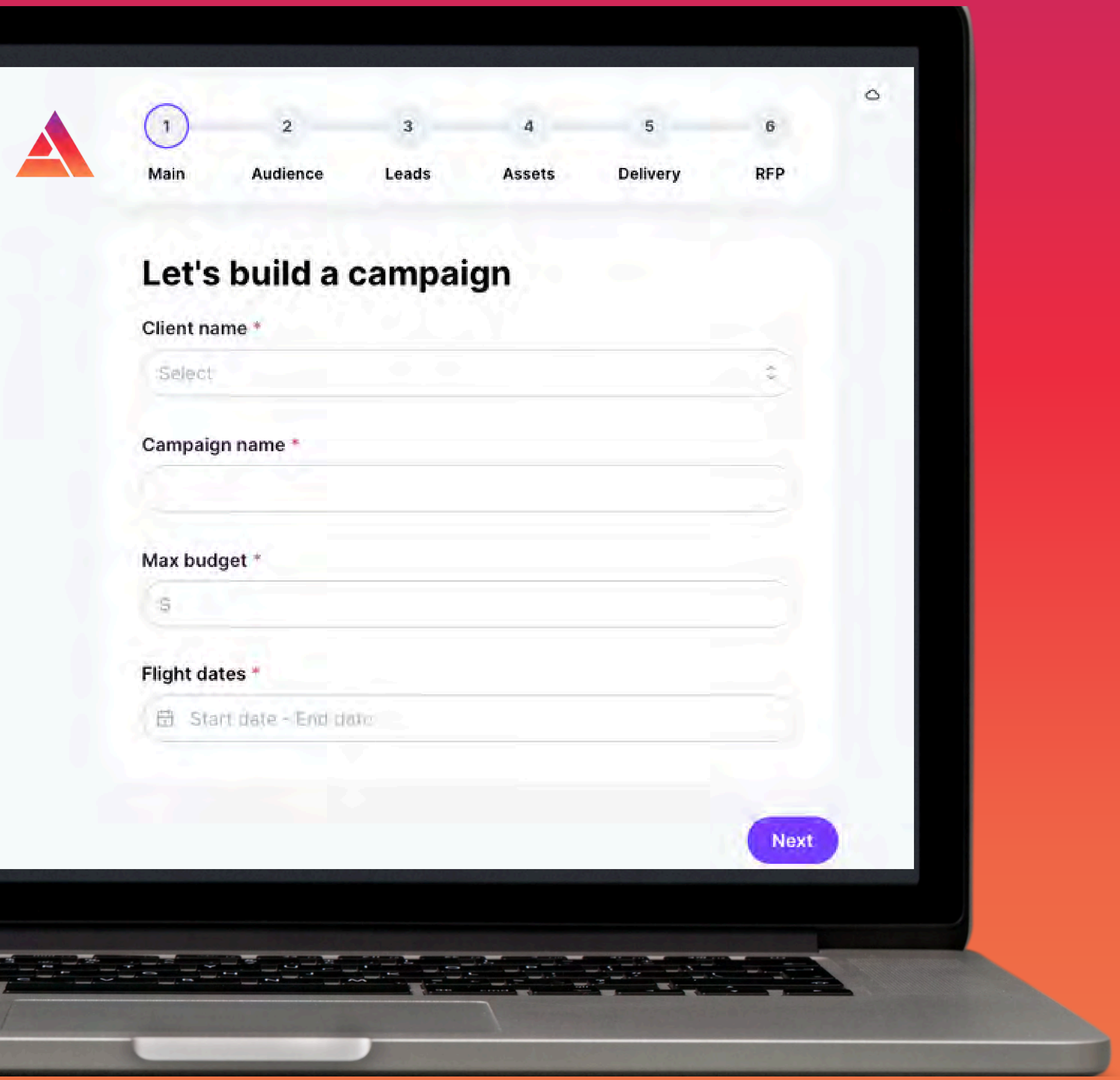
NEXT STEPS:

1. **Use this self-assessment to guide internal discussions**
2. **Share it with your marketing ops, finance, or demand gen teams**
3. **Prioritize the areas where your score was lowest and start reclaiming wasted spend**

CURIOUS HOW AUDYENCE IS COURSE CORRECTING THIS?

AUDYENCE

REAL-TIME DEMAND PLATFORM



BUY CPL INVENTORY PROGRAMMATICALLY

AUTOMATE CAMPAIGN WORKFLOWS

ACCESS THE LARGEST TRANSPARENT MARKETPLACE

LAUNCH CAMPAIGNS IN REAL-TIME

CONTROL THE SOURCE OF YOUR LEADS

DEMAND INNOVATION.

OUR MISSION.

Looking for a better way? **Get Started**

TO MODERNIZE PAID DEMAND ACTIVATION THROUGH AUTOMATION, TRANSPARENCY AND CONTROL NEVER BEFORE ACCESSIBLE.

TRUSTED BY TOP INDUSTRY BRANDS & AGENCIES

Excellent customer support and communication from the Audyence Team. The experience of purchasing media via Audyence is very easy and seamless.

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AGENCIES

BRANDS

AUDYENCE

AUDYENCE

REAL-TIME DEMAND PLATFORM