



Unbundling the Inquiry

Breaking the Lead
Generation Supply Chain



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LQ is a customer acquisition company with a simple goal:
TO HELP YOU WIN MORE PROFITABLE CUSTOMERS DIGITALLY.

PROBLEM/ SOLUTION

We believe the above elements frame a problem for marketers: it's difficult to gain only the best lead types without purchasing a sizable portion of poorly-performing inquiries.

For marketers facing this particular challenge, we believe the solution is all about understanding the ecosystem and breaking the supply chain.

THE PROBLEM

- 1 Direct response marketers want better leads at a greater scale; many lead sellers are unable to provide a distilled quality opportunity.
- 2 Many marketers struggle to understand the supply chain.
- 3 Lead sellers are often not transparent.

THE SOLUTION

- 1 Begin with an understanding of the lead generation ecosystem.
- 2 Unbundle the inquiry supply chain.
- 3 Find out what works for your brand and buy more of it.

We hear every day from marketers who want to gain access to better leads. Typically, their message is clear: they want every single good lead available. We think this is a good start — the first step to drafting any good strategy is to know what you want. The challenge for many of these organizations lies in their dependence on third-party companies who provide them with leads. Many lead buyers lack a holistic understanding of how these companies — the lead sellers — work. Further, they're not getting much transparency from the vendors, themselves.

We're here to help. At LQ Digital, we assist hundreds of organizations with their customer acquisition efforts. This challenge is something we've addressed for our partners many times. With clients spanning 50 industries and 125 countries, we're confident that we bring a broadly-established expertise to this discussion.

IT'S ALL ABOUT THE BUNDLE

Let's begin with how lead generation works. The first thing anyone who buys leads should know is that they are purchasing a bundled solution. This means that they've allowed the supply chain to build multiple traffic sources to deliver a solution that hopes to meet an aggregated performance standard and provides a reasonable profit margin for the seller. This process involves finding high-performing inventory- and mixing it with lower cost 'filler' inventory to create a blended volume of inquiries.

We know this is not a best practice for the brand. Unfortunately, it's what happens when an advertiser relies on a third party to sell them leads. To meet the demands of buyers and to make money, lead sellers have been forced to mix higher and lesser quality sources. The result: sporadic quality.

We don't begrudge a company's efforts to make a profit margin — that's the goal of any for-profit business. But, as a customer acquisition company, it's our job to be direct and clear about the process. If you rely exclusively on third party lead generators for inquiry volume, you're getting some of the good stuff you want, and lots of other stuff you don't want.



WHAT DOES THE GOOD STUFF LOOK LIKE?

First, let's summarize the "good stuff" in lead generation: **it's all about search.**

Typically, lead generators are buying search at a loss to offset the poor performance of the more profitable traffic channels they tap for volume.

Again, let's be clear: we can acknowledge the quality dilution issue and even have empathy for the quality diluters (lead sellers) they're just trying to make a profit. This isn't a judgment against them – it's an effort to help our partners, clients and followers see the scenario clearly.

We'll assume that if you're reading this whitepaper, your business goals are focused on recruiting good customers at greater scale. This means you want the "good stuff" – and you want as much of it as you can find. The problem: there's only so much of it out there. Here's the basic breakdown:

The best performing inquiries in most direct response advertising categories are largely driven by SEO and paid search traffic. SEO is a long-range endeavor but one shouldn't expect an immediate up-tick in traffic. Given this, we'll focus on the more immediate opportunity: paid search.

The first thing to acknowledge about paid search is that it's difficult to moderate to impact the overall volume of search traffic available in a given industry. Typically, the marketer's challenge is to gain greater access to the available impression pool.

There are a couple of ways to improve your market share within the available search impression pool. The first is to address your position in the long-tail – or generic keyword – marketplace. Many marketers already know that this is highly contested opportunity: competitive brands, lead vendors and arbitrage affiliates all convene to escalate click values, here. The second path to a greater market share of paid search impressions is to leverage your own company's brand more fully. This has puzzled marketers for some time, but we at LQ Digital have helped clients very materially improve their reach in this area. (More on that in just a moment).

WHAT YOU CAN DO ABOUT THIS

At this point in the discussion, we often hear advertisers acknowledge that they are, in fact, buying a bit of good search volume mixed with a lot of other stuff from their lead providers. But despite understanding the problem, many still lack a clear view of how to navigate around it. This is where we get involved.

HERE'S OUR TYPICAL MESSAGE:



HOW THE DECISION PLAYS OUT

If your company is at an inflection point on this topic, and you feel it's time to take action, there are two potential paths to follow. The first is to take the project on inside your organization and build the utilities to lead and operate this internally. The second option is a partner with a well-established and trustworthy partner.

As a customer acquisition company specializing in this work, we're obviously biased, but here's how this decision plays out:

IN-HOUSE

- ▶ Determine your desired outcome amongst your executive team and hope it's the right outcome.
- ▶ Plan a strategy around reaching this outcome and hope this is the right approach.
- ▶ Build a team of highly analytical individuals to work with your supply chain vendors and to push quality, quantity and economics. Pay them handsomely, offer significant benefits and hope these are the right people. Also, hope that the vendors comply.
- ▶ Scale the effort.
- ▶ Cost: depends on the size of the team. But, expect much of the cost to be people-related.

HIRING AN EXPERT PARTNER

- ▶ Evaluate strategic partners to help drive this initiative. Choose an awesome one.
- ▶ With these partners and your executive team, determine your desired outcome. Confirm through a thorough comparison of market activity that this is the correct strategy.
- ▶ Ask your partner to plan and present a strategy around reaching this outcome. Challenge their work, ask critical questions and ask for justifications of their assumptions. Demand transparency on every detail of the plan.
- ▶ Hold the partner accountable to implement the strategy.
- ▶ Gather initial results, maximize the optimal results. Optimize the results with potential. Eliminate poor performance.
- ▶ Scale the effort.
- ▶ Cost: depends on the size of the team. But, expect a minimum of \$10,000/month to 15 % of media spend.

THINGS TO KEEP IN MIND

While there are many, many steps toward planning and executing a successful program, the ones mentioned above are of the greatest importance: planning and executing. Whether you do this internally or work with a partner, it's important to make sure the strategy is well-conceived. When you do execute, it's equally important that you do so in a way that's tied to your plan and speaks to the original goal.

We liken this to a great golf swing: the back swing must be steady, coupled with excellent follow through. This is what makes the ball go really, really far. To be competitive, you need to be good at both elements. Performance marketing is no different

Whichever path you chose, careful planning and seamless execution are the most crucial elements.

We believe there are measurable and material gains to be made by smart, ambitious marketers. To distill quality and maximize your engagement with quality prospects, move beyond intermediary lead sellers with at least some of your performance marketing budget. The way to do this is to more fully leverage the search channel, either through an internal strategy or with a trusted partner.





HOW WE CAN HELP

LQ Digital is a customer acquisition company. Our mission is to help brands win profitable customers. We do this with our people, our technology platform and our full funnel approach. What makes us unique is we are obsessed with lifetime value, are paid on performance and bring an objective marketwide perspective on your acquisition strategy.

Call 1.800.670.3515 now and speak with one of our digital media specialists or visit us at lqdigital.com and start unbundling the inquiry today.

How confident are you in your digital performance?