

SALES & LEAD GENERATION

Is Pay-Per-Lead Really Better?

By Ben Cardy • 6 March 2023



The Pay-Per-Lead (PPL) model sounds great; on the face of it. What's not to like? It appears cost-effective, it seems relatively risk-free and most importantly, you pay only for what you get, but are you getting exactly what you want?

Though it may attract a lot of attention from businesses that see it as a reasonable and cost-cutting commission scheme, the PPL model does have a lot of downfalls and it's certainly not right for every company out there.

So, is PPL right for you and what alternatives are there? That's exactly what we are going to try and answer for you, but before we run, we must walk and we need to start by having a basic understanding of the concept.

What is Pay-Per-Lead?

First things first, Pay-Per-Lead is a model that many lead generation and outsourced sales and marketing companies provide. It involves the company and client having an agreement where the client only pays for every lead generated. Essentially it does what it says on the tin...

Where is this Model Used?

A wide range of companies offer their services through this commission-based model; however, it is most prevalent in marketing agencies that offer lead generation services such as [telemarketing](#) and [digital marketing](#) campaigns, etc. These companies understand that leads are vital to the growth of businesses and are a crucial part of the overall sales process, but

this begs the question, why stop at leads? Leads are a critical component sure, but your business doesn't profit from leads, it profits from sales. Leads are to sales what a seed is to a tree, sure it's the beginning and needs careful nurturing and understanding to develop, but it's not the end goal. Businesses live and die by sales, not leads.

Are Pay-Per-Lead Services for Me?

Honestly, that's up to you. There are some attractive aspects of getting leads this way, such as:

- You only pay for qualified, generated leads.
- It incentivises the provider to work efficiently.
- It frees up time for internal salespeople

However, with every small silver lining, comes the undeniable grey cloud attached firmly at the hip. If you are seriously considering outsourcing your lead generation to a company that earns per lead, it's important to be aware of the drawbacks and difficulties that come with the service.

The 'Issues' with PPL:

Quantity over Quality?

An adage as old as time itself and one that has stood the test of time for good reason. Quality is of course more important than quantity and nowhere is this more important than with leads. As the marketing agency is only getting paid per lead, this model can shift their focus to blasting out as many 'leads' as possible, without truly ensuring that they have the potential to become a sale.

What is a lead?

I'm sure you know exactly what a lead is right? Wrong. You know what you think a lead is, but you can be sure that an agency that stands to profit from this thinks differently. This can cause a clash in both opinions and relationships with your outsourced agency from the get-go.

Rapid Data Burnout

The outsourced sales team is rattling their way through your data, sprinting their way through a long list of potential customers, focused solely on generating a lead so that they can get paid. This leaves a long list of genuinely potential prospects that just needed a little more time to convert into a sale, left alone and forgotten in the database.

Those Leads Still Need Converting!

Great, you've paid for the leads and now you're ready to start making some money from the prospects, but there's one small bump in the road; you still need to turn these leads into completed sales. This is where outsourced sales and marketing companies like [Hayward Miller](https://www.haywardmiller.co.uk) thrive. Hayward Miller takes care of the whole process so that you don't have to, giving you the gift of time to put back into your company.

An Effective Alternative to PPL

Fixed-rate agencies have all of the benefits of Pay-Per-Lead without the frustrating restrictions. Outsourcing your sales and marketing to a fixed-fee company such as Hayward Miller (HML) means that you have the ability to build an understanding

and relationship with the agency. HML takes the time to learn your business, brand voice, and goals & targets, meaning you get effective and precise leads converted into sales without you having to step in at all. Sales require long-term relationships and conversations to be formed with the prospects and this takes time and commitment that can only be utilised by a retained sales and marketing company.

In Conclusion

To conclude, Pay-Per-Lead services can be the right choice for some businesses, whether they're SMEs or large-scale companies. They do have some positive aspects that some directors and managers can overlook, however, these same weaknesses can be extremely detrimental to other businesses. If you'd like to discuss the benefits of outsourcing your sales and marketing to a fixed-rate company such as Hayward Miller then, [please get in touch!](#)

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