

# DIRECT

## FEEDING THE BEAST

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THE BIGGEST CONTRIBUTION direct marketing can make in business-to-business is sales lead generation. It's a simple formula: Salespeople need leads to make them more productive, and tried-and-true techniques of targeting, media selection, offer development, message platforms, response management and campaign analysis can help them out.

What's new in B-to-B lead generation? Plenty.

### **Identifying anonymous Web site visitors**

The Web site is essentially a passive medium. Even if you are successful using search engine marketing to motivate clickthroughs, you've accomplished barely more than awareness building. Some studies have shown that as little as 2% of Web site visitors ever become real prospects.

The marketer's challenge is to figure out how to motivate visitors to leave behind their contact information so communications can continue. The standard technique has been to make an offer — like a downloadable white paper or case study — in exchange for registration data.

But now, a new way to uncover the anonymous nature of B-to-B Web site visits has emerged: matching data to the visitor's company domain name. Plexis Healthcare Systems, a provider of insurance claim management software, is using a service called VisitorTrack for this purpose.

Here's how it works: When someone stops at Plexis' site, VisitorTrack grabs information from the visitor's browser and identifies the visitor's company and the keywords the person was using in his/her search. This is matched against other data about the firm, such as other visitors to the site from the same company, or offline data such as company address, industry and individual contacts. A report is generated and delivered back to Plexis for follow-up. From Plexis' point of view, knowing that people from a certain firm have been trolling around its site is valuable information. A sales call to that firm could be very productive.

According to Plexis marketing manager J.T. Gillett, the service has been a hit. "Our target for VisitorTrack is 10 to 15 leads per month, as determined by the number of visits, the visitors' line of business, as well as our ability to provide services for that business. VisitorTrack consistently generates 15 to 20 leads per month and opens many doors for our sales team. For us, one sale can account for between \$150,000 and \$2 million in revenue."

### **Vertical search engine marketing**

Everyone is aware of the power and popularity of keyword bidding. One of the most interesting new twists in search engine marketing is the move to specialized search engines that concentrate on certain industry verticals, such as IT, retail or industrial.

Instead of relying entirely on the big players, like Google's AdWords and Yahoo! Search Marketing (formerly known as Overture), business DMers are adding directories like GlobalSpec (engineering), Bitpipe (IT), goWholesale (retailing), ThomasNet (industrial) and Business.com (general business) to their marketing mix.

Keyword bidding with vertical search engines often yields a better return on investment, because verticals deliver a more qualified prospect who is more likely to convert to a qualified lead.

Keep in mind, though, that there are no free lunches here. Volume is going to be smaller and price per click probably higher. For example, for the term "database software" a No. 1 ad position on Business.com runs \$1.25 today and \$2.10 on Google.

**Businesses tend to use a mixture of horizontal and vertical search engines. "It's all about measured results," says Patricia Hursh, president and founder of SmartSearch Marketing in Boulder, CO. "You might end up with something like 25% general engines and 75% verticals. The objective is to deliver the best quality leads at the lowest price.** For example, using a variety of search engines, we were able to generate more than 2,500 prospects a month for our client ITW Dynatec, an adhesives machinery manufacturer, at a cost of only \$1.18 per lead."

### **Keep it personal**

Businesspeople buy on behalf of their companies, and they need plenty of facts to make a purchase decision. So business marketers often feel that their communications should be, well...businesslike, even clinical in tone.

But DMers know a personal tone is essential. Recently, some business copy has verged on the extremely personal — with successful results.

Freelance copywriter Scott Calame recently created a relationship-building campaign for a large chemical company designed to seem as if the marketing manager sat down to write one letter to just one recipient.

"It's important to remember that people, not companies, write letters," Calame says. "Keep that one thought in mind as you're writing and your letter's tone will instantly become more personal, compelling and effective."

Sometimes, however, a more clinical tone may be the ideal approach — when marketing to physicians, for instance. Another effort by Calame, sent to doctors, was designed to generate leads for a medical testing device company. The outer envelope used urgent medical terminology, like diagnostic codes, and appealed to the office staff to be sure the communication was handed directly to the doctor. That was essential to the piece's getting noticed and moving past the gatekeeper. But the body of the letter still read as if it had been written by one person to one physician.

### **Web site optimization**

Optimization is the Web world's term for continuous improvement through test and control. It's typically applied to banner advertising or search engine marketing: Advertisers split test offers, creatives and media placement, and eventually identify the combinations that deliver the most clickthroughs. Compared with direct mail tests, the ideal online combination can be learned very quickly — in a matter of days or hours.

Optimization techniques are now being applied to Web site pages, using hosted software provided by such companies as Optimost and Offermatica. With these services, marketers can test the productivity of multiple variables at one time — like copy, layout, images and navigation — on home pages, landing pages and registration forms.

Palo Alto Software asked Optimost for help in improving the landing page conversion for its flagship product, Business Plan Pro. In this situation, conversion meant actual sales of the \$99.95 shrink-wrapped package. The team selected 11 different variables they thought were important in driving sales, such as layout and images at the top and bottom of the page, the product description copy, and the placement of the “submit” button.

Then they created alternative versions of each element to test. The variations were loaded on Optimost's server and as the campaign progressed, various permutations were delivered to prospects clicking through. This many variables resulted in more than 41 million potential permutations, so the variations were tested in a series of five waves of about 15,000 page views each, with a control group of 29,000.

Eventually, Palo Alto Software identified the optimal page version, which raised overall conversion from the baseline of .75% to 1.06%, a lift of 41.3%. They also were able to identify the variables that had the most impact, in this case the top image (a lift of 16.8%), the bottom layout (up 12.3%) and the product description area (up 11.9%). With this information, Palo Alto can design more powerful campaign landing pages, and know the hot areas where its attention should be focused.

### **Navigation equals qualification**

What do you do when your site naturally attracts a bunch of tire-kickers and otherwise unqualified visitors? You don't want to waste your sales staff's time on people who'll never buy. The standard solution is to give all visitors access to free downloads, but require them to answer qualifying questions. Then they're screened carefully before being passed on to sales.

IBM has come up with another approach. It encourages real business buyers to get the information they seek while reducing the effort spent serving unqualified visitors' needs, like students doing research for term papers. The technique involves creating thoughtful navigation paths that recognize the different visitor types.

For example, someone moving around the IBM Software Group's events section who skips from events, to references, and then to news, would not be served up information about pricing or invitations to call IBM. But someone who clicked on events, and then on a specific event, and then on the specific event's topics would be viewed as having a serious interest. This visitor, then, would be presented with information about product details and pricing.

According to Bob Curran, vice president, worldwide sales operations for the IBM Software Group, the navigation strategy solves the essential problem facing complex B-to-B sites: the low percentage of visitors whose personal information was being captured.

“We have been frustrated by privacy conventions and other problems in data gathering,” Curran says. “So we decided to design in some techniques that would improve our results. We conducted some user group meetings to understand our buyers' characteristics, whether they were programmers, or CEOs looking for an overview, or users seeking tech support. Our registration rates have more than doubled, and the new navigation process deserves at least partial credit for that.”