

Executive Summary: Lead Generation And Databases

Why is it so important to have a database? Why collect customer and prospect information? The simple answer is if you have information on your customers you can look after them properly and you can return to them with new products and services.

The clever business owner knows the more information you have on people who are interested in your business - the more often you can return to them with additional offers. Just because someone doesn't buy today doesn't mean that your product isn't good, that your service isn't interesting or that they don't want it. It just means that they're not going to complete the transaction with you at this time.

Without a prospect database you have to continuously spend money to generate new leads. With a prospect database, you can return to old leads and enquiries and reactivate them.

Two of the biggest assets of any business are the customer database and the prospect database, the people who haven't yet purchased.

Segmenting your database allows you to target the right message and the right offer to the right kind of people. The more information you collect about the preferences of your prospects and customers - the more efficient and the more tailor-made you can make your offer.

You need multiple ways of getting people into your database. Direct Mail and the Internet are two obvious ones. Another is advertising in general magazines and newspapers and in the trade press too.

You need to spend your advertising budget carefully and ensure you receive maximum returns. And you need to measure your investment regularly to determine how many leads become customers.

You need Direct Response Advertising - by which you can track the response. Your advertisement - whether it's press, radio, TV or outdoor - must encourage people to pick up the telephone and call your company or to visit your website. You need to stimulate the person who is reading, hearing or watching the advertisement to take action. You have to offer something which has sufficient value for that person to overcome inertia. Put a time limit on the offer (which might be a free CD; a free

book; a free report; a free starter kit; free instructions; a free ticket; a free consultation; a free gift; or a free Mystery Gift).

In the trade press you can do inserts as well. An insert works eight times better than an advertisement because it's physical, it jumps or falls out, it's in the person's hands, and it's separate from the publication. The best combination is the advert in the publication plus the insert so you have a double-whammy. Give customers three response mechanisms: they phone, visit your website or fill in the card and freepost it to you.

Advertising in directories works very well too as does advertising in card decks (lots of inserts or postcards put together and mailed). Card decks are an excellent way of generating qualified leads.

Other ways of generating leads include going to events, running seminars and attending networking groups. In fact, anything you can do to get in front of customers will help generate leads. The more people you can get in front of through advertising, face-to-face contact or doing seminars, the better. You'll build your database and the database is the key to a successful business.

Referrals don't cost anything and statistics show that a 'referred' prospect is seven times more likely to buy than a cold, unREFERRED prospect.

The problem with word-of-mouth advertising is that it's dependent upon the amount that people talk. Your priority with your product, your service, and your business is to make it worthy of being talked about! You need to give everyone an irresistible reason to include your product, service or business in daily conversations.

Joint Venturing can actually help the word-of-mouth referrals as well. When you look for a Joint Venture partner, look for a person who has the type of database that you want to tap into, and who has credibility, a great reputation and a willingness to participate.

Consider Joint Ventures with your competitors. People mistakenly assume that every other company in their industry is a competitor. But they're not. Why not get together with your competitors and share your unconverted leads?

On the Internet, two ways that you can leverage lead generation instantly are:

1. Joint Ventures and going to other people with similar websites.
2. Pay-per-Click - Having an advertisement that you pay for. On Google, you can get it up and running in 30 minutes - maybe even less sometimes - and you can be getting people clicking through to your website pretty much instantly.

You can go to Exhibitions and Trade Shows and generate leads. Someone else has done the hard work to get thousands of people interested in a certain industry or profession together and you have access to those thousands of prospects all for the price of renting a stand. To take advantage of the opportunity, you need to have something to give away to those prospects. You say, "Give me your details and I'll give you this." The giveaway must be irresistible. Then you have something more valuable than you could ever imagine: the details of several hundred people who are interested in your product or service.

Do the follow-up. Put their details on the database and categorise them. Focus on the people who do want what you have to offer.

What do you actually do with the data once you have it?

Get the information the person requested into their hands quickly. If you respond fast, people are impressed. Send something out in the post and then have Tele-Sales follow-up. You get the edge on your competitors because they probably won't send it quickly and probably won't follow-up.

It's about building relationships with people who have asked to receive information from you. And then, it's about building that relationship over time. Just because someone did not buy today does not mean they won't buy next year, the year after, or the year after that. You don't quite know when they're going to buy, but the database allows you to keep in touch - so that you have at least the opportunity to present your product, your service, over a period of time.