

Modern Lead Generation in Internet Marketing for the Development of Enterprise Potential

Svitlana Bondarenko, Olena Laburtseva, Olena Sadchenko, Vira Lebedieva, Oleksandra Haidukova, Tetyana Kharchenko

Abstract: *The buying process has changed, and marketers need to look for new ways to attract customers. Instead of reaching potential customers through mass advertising and e-mail newsletters, marketers should now focus on learning how to build and maintain ongoing customer relationships*

According to statistics, 96% of new visitors to the site are not yet ready to make a purchase, although they are all potential customers. This figure shows how important lead generation is. Visitors to your site is just the beginning of the lead generation process. If the company does not have a clear strategy that will translate potential customers into buyers, it will constantly lose in the market and lose profits.

It is necessary to analyze the main indicators of lead generation efficiency, return on investment, and conversion.

Keywords : *Enterprise Potential, Internet Marketing, Lead Generation.*

I. INTRODUCTION

The buying process has changed, and marketers need to look for new ways to attract customers. Instead of reaching potential customers through mass advertising and e-mail newsletters, marketers should now focus on learning how to build and maintain ongoing customer relationships (Fig. 1).

THEN	NOW
Mission	
Represent company	Represent customer
Search for customers	To be found
Customer Information Collection Method	
Mass Advertising	"1:1" targeting

Revised Manuscript Received on October 05, 2019.

* Correspondence Author

Svitlana Bondarenko*, Department of Economic Management of Natural Resources, Institute of Market Problems and Economic-Ecological Research of the NAS of Ukraine, Odessa, Ukraine

Olena Laburtseva, Department of Marketing, Kyiv National University of Trade and Economics, Kyiv, Ukraine

Olena Sadchenko, Department of Marketing and Business Administration Odessa I.I. Mechnikov National University, Odessa, Ukraine

Vira Lebedieva, Department of Administrative Management and Market Problems, Odessa National Polytechnic University, Odessa, Ukraine

Oleksandra Haidukova, Department of Project Management and Enterprise Security, Yuriy Fedkovych Chernivtsi National University, Chernivtsi, Ukraine

Tetyana Kharchenko, Department of Management, Sumy National Agrarian University, Sumy, Ukraine

Demographic	Behavioral
Techniques and Tactics	
Timely one-time action	Ongoing relationship
Multiple Isolated Channels	Integrated channels
Measurements	
Third Party Information	Own data, Big Data
Intuitively made decisions	Factual solutions

Fig. 1. Marketing transformation [1-3]

The problem is that redundancy of information is equal to a lack of attention. This phenomenon is known as the attention economy. This state of affairs has changed the buying process [4]. Buyers are overwhelmed by informational noise, and as a result, they are becoming increasingly successful in ignoring messages that they don't want to hear, and independently research what they want to know (Fig. 2).

Clearly, there have been huge changes in the traditional buying process [5]. In fact, according to the conclusion of the research company Forrester Research, nowadays, the path to the purchase can be anywhere - at a "distance" from two-thirds to 90% of the transaction before they contact the seller [6]. The reason that this is happening more and more often is that buyers now have so much access to information that they can postpone consultations with sales departments until they themselves become, to some extent, "experts."

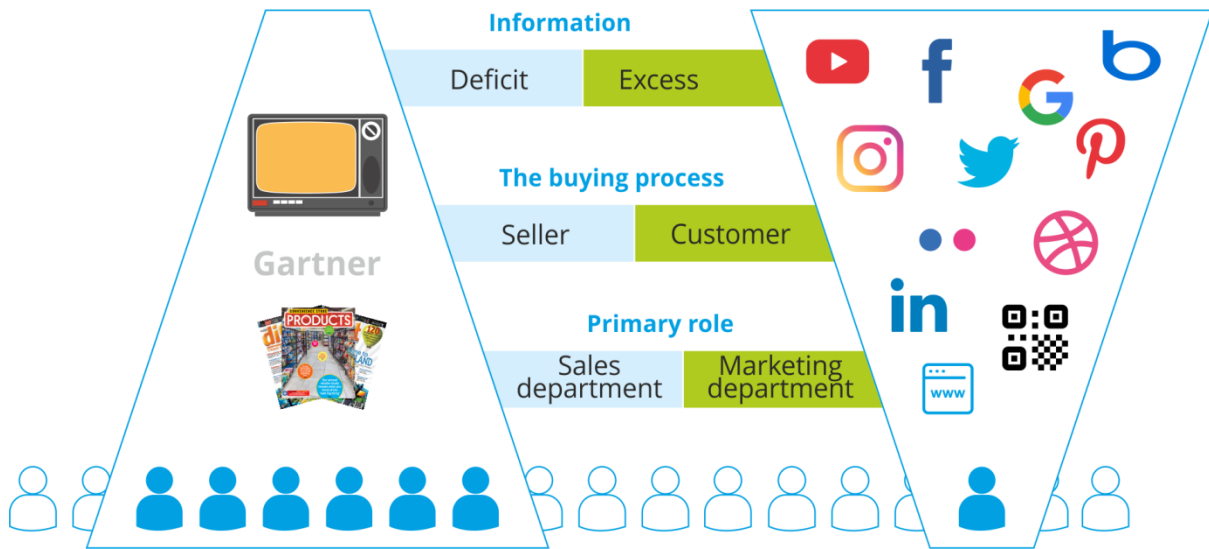


Fig. 2.Changes in the purchasing process [7-8]

II. LEAD GENERATION: BUSINESS APPROACH BENEFITS

Creating a reliable lead generation strategy will help you build trusting relationships and attract the interest of your potential customers, even before they are ready to establish contacts with sellers.

Lead generation is the receipt of contact information of potential customers at their own request. Lead generation is a marketing approach that relies on the formation of a base of target audience (target audience).

Each person who left contacts, ordered a call, left the goods in the basket - lead. The sales department will already work with this base. This approach helps to weed out non-target people, reduce costs and increase conversion at different stages of the sales funnel.

Conventionally, the leads can be divided into (Fig. 3):

- “Cold” - they don’t know anything about you yet, they don’t have a need for your services or products, they are not ready to buy anything yet;
- “Warm” - they already know something about you,

heard, read articles, follow on social networks or receive newsletters, most likely, they already understand your offer and its value;

- “Hot” - ready to make a deal, make an advance payment, fully pay.

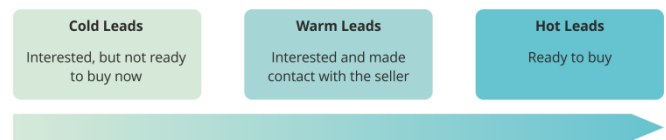


Fig. 3.Lead Classification.

Cold calls and forehead sales are dying. 84% of B2B company representatives apply for services only on the recommendation of friends and colleagues (data from Baylor University) (Fig. 4).

65% of businesses say generating traffic and leads is their biggest marketing challenge. (Hubspot)

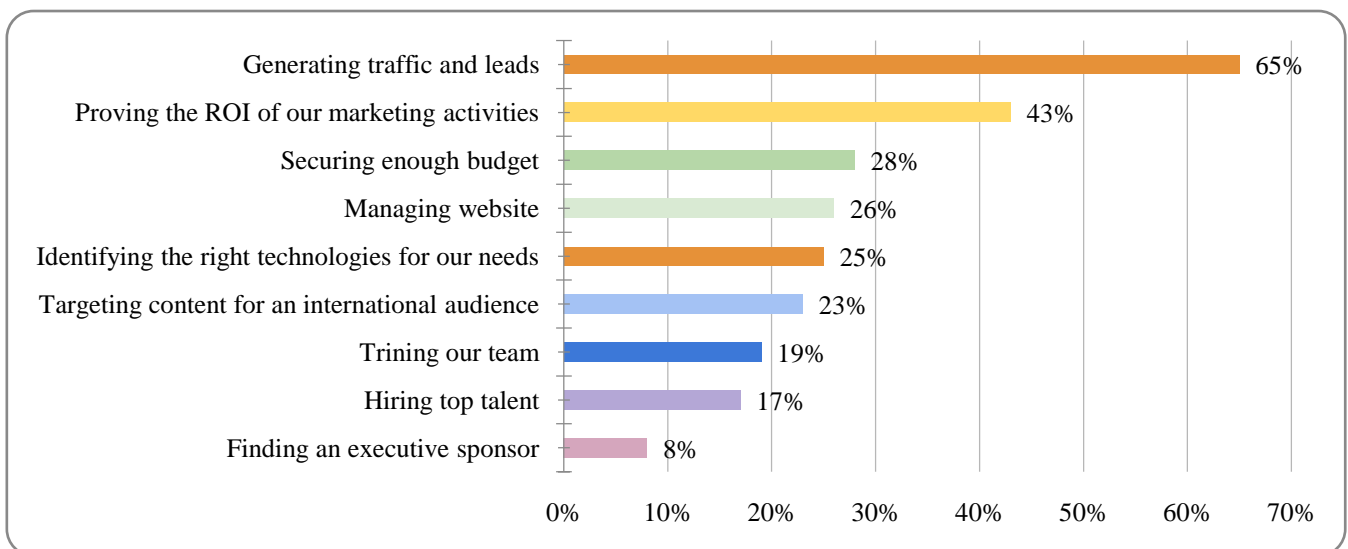


Fig. 4. Top marketing challenges of companies

For others to recommend your company, you need to be as helpful and communicative as

possible. After all, lead generation is not only a collection of contacts of potential buyers. In an online environment, this is more of a mutually beneficial exchange: you want to get a credit of trust with your contacts, which can be proved by something useful for a potential client (Fig. 5).

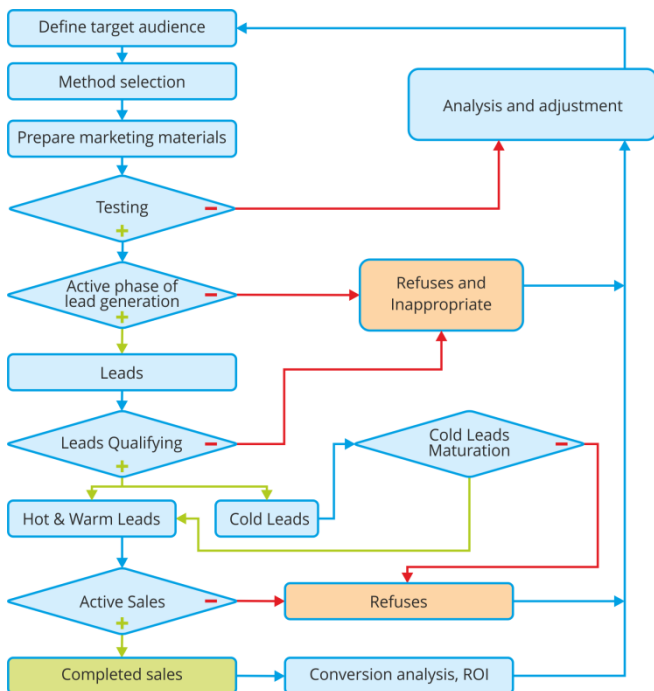


Fig. 5. Lead generation process for developing enterprise potential.

A. What does the enterprise win?

1. Spend resources efficiently - it's difficult and expensive to sell right away (in terms of costs for attracting 1 client). Generating a lead, conducting it through a sales funnel, bringing it to a deal and holding it is more profitable in the long run.

2. Get more objective indicators. You can calculate CPL (Cost Per Lead - lead cost), evaluate the effectiveness of leads from different sources due to segmentation (they came after the master class, read a blog, downloaded a free book).

3. By analyzing the effectiveness of different channels for attracting leads, you can scale the business. Do more master classes, create useful instructions or books, arrange webinars, etc.

4. It is possible to weed out the target audience without transferring to a certain stage of the sales funnel. The manager will not waste time calling, miscalculating, meeting, but will deal with the client who already has a "sore" who really needs it.

5. You can interact with the base of potential customers for a long time. This is especially true for complex and expensive products. A person can make a purchase decision for months. For example, read the newsletter about home improvement and interior design for 7 months, and then order services for \$ 5,000.

B. Lead generation tools and ways to attract customers

We will consider the best ways of online lead generation. Offline methods may also be relevant for some niches, but they are either associated with calls, or still intersect with online (Fig. 6).



Fig. 6. Lead conversion funnel modern for the development of enterprise potential.

C. Website lead generation

On the corporate website, callback order forms can be set, an offer to subscribe to the newsletter, get a free consultation. This method combines direct sales through the site and an attempt to get leads if the person is not yet ready for a deal.

In the online store for lead generation, special promotions can be used. For example, the user is offered a discount on their first purchase in exchange for an email subscription to the newsletter. If a person has already registered, added the product to the basket and did not place an order, you can send him an automatic letter with a reminder or offer other, similar products.

Landing Page can be created specifically for lead generation. So you can test the proposal, certain segments of the audience in advertising campaigns, form a base. From the example about the designer Olga: we make PDF instructions about the TOP errors during the repair, we make out the landing page. We explain its benefits, say what a person will receive, we offer to receive this mini-book right now and are not trying to sell anything.

D. Lead Generation Using Content Marketing

Content marketing is about creating trust, promoting the company's expertise through useful and interesting content. This tool is quite versatile in terms of attracting customers. It works especially effectively in such cases:

- a new product or not yet clear to a potential target audience - you need to generate demand, show value;
- the service or product is quite complex - you need to not only show value, but teach;

- the proposal is very clear, simple, but there are a lot of competitors - you need to stand out among them and gain the trust of customers.

You can beat all this and achieve your goals through useful articles on the corporate blog, publications from opinion leaders and on reputable sites, and video distribution. The main thing - do not forget to set up a form for collecting contacts or think through other mechanics to collect contacts.

E. Social media lead generation

- One of the most obvious and low-budget ways that intersects with content marketing. Because just being on social media is not enough. To get leads through social networks, you need to consider a number of nuances:
 - You need to publish useful, interesting content that you want to share;
 - it is necessary to involve people in the discussion - ask questions, ask to put one or another comment in order to vote;
 - to engage a person in personal communication, you can periodically add a button "Send message" to posts;
 - in the settings of targeted advertising on Facebook and Instagram, you can use the "Lead Generation" format - it immediately suggests people fill out the form without leaving the social network;
 - in order not to lose potential customers, you should promptly respond to requests in personal messages or set up automatic replies (Facebook allows this) - you can offer to leave your email address for communication.

F. Attracting Clients Using Newsletters

This tool is already suitable for working with "cold" and "warm" leads that you received using the main site, Landing Page or content marketing. At this stage, the key task is to move the lead in the sales funnel:

- tell more about the offer;
- build trust;
- work out objections (expensive, difficult, what guarantees);
- segment leads if necessary;
- personalize mailings so that the lead becomes "hot" or at least "warm";
- turn it into a client and hold it by all means (read: "service, respect, decency, cool product).

Newsletters can be not only by email. Recent research shows that in many niches the effectiveness of these newsletters is declining. They are gradually replaced by messengers. Now you can create entire series of newsletters, automatic funnels and even smart bots in Facebook Messenger, Telegram, Viber, WhatsApp.

III. LEAD GENERATION EFFICIENCY ANALYSIS FOR THE DEVELOPMENT OF ENTERPRISE POTENTIAL

When starting advertising on the Internet, every specialist and entrepreneur needs to analyze the money spent in order to correctly manage the advertising budget.

CTR (click through rate) - an indicator of the clickability of advertisements. Calculated as a percentage of clicks to ad

impressions. Using CTR determine the effectiveness of an advertising campaign.

$$CTR = (clicks \div impressions) * 100\% \quad (1)$$

CPC (cost per click) - the cost that the advertiser pays for a click on an ad with the subsequent transition to the site. CPC helps us evaluate the effectiveness of an advertising campaign, as well as adjust bids. Several factors affect the CPC metric — the ad itself, its Quality Score (CTR), display region, time, competitors showing ads for the same key phrases.

$$CPC = ads \text{ cost} \div clicks \quad (2)$$

$$CPC = (CPM \div 1000) \div CTR \quad (3)$$

$$CPC = conversion \text{ ratio} * CPA \quad (4)$$

$$Conversion \text{ ratio} = number \text{ of conversions} \div web \text{ visits} \quad (5)$$

CPA (cost per action) - the cost of the action on the advertiser's website. In this case, the advertiser decides what to take for a useful action. This can be a "Visit the contacts page" or "Submit a feedback form." This term can also include the definition of CPL (cost per lead) - this is the cost for a potential client who left his contacts or contacted the advertiser in another convenient way.

$$CPL \text{ and } CPA = ads \text{ cost} \div certain \text{ action} \quad (6)$$

CPS (cost per sale) - the cost of 1 paid order of goods / services from advertising sources. CPS calculation is convenient for online stores with online payment. For the rest, an end-to-end analytics system with CRM integration is needed. CPS will help you adjust advertising budgets, as well as increase its effectiveness.

CPO (cost per order) - the cost of 1 order of goods / services. The difference is that, as a rule, all orders, including unpaid ones, are taken into account in the CPO.

$$CPS \text{ (CPO)} = ads \text{ cost} \div sales \quad (7)$$

CPM (Cost per Millenium) - the cost per 1000 impressions, a definition for those advertisers who need to deliver an advertising message to the end user, without being guided by clicks on the ad.

$$CPM = cost \div impressions * 1000 \quad (8)$$

CPI (cost per install) - the cost per installation of a mobile application. CPI calculation is useful for advertisers whose product is mobile applications.

$$CPI = cost \div app \text{ instalations} \quad (9)$$

For automatic calculation of indicators, there are special services of end-to-end analytics (Fig. 7).

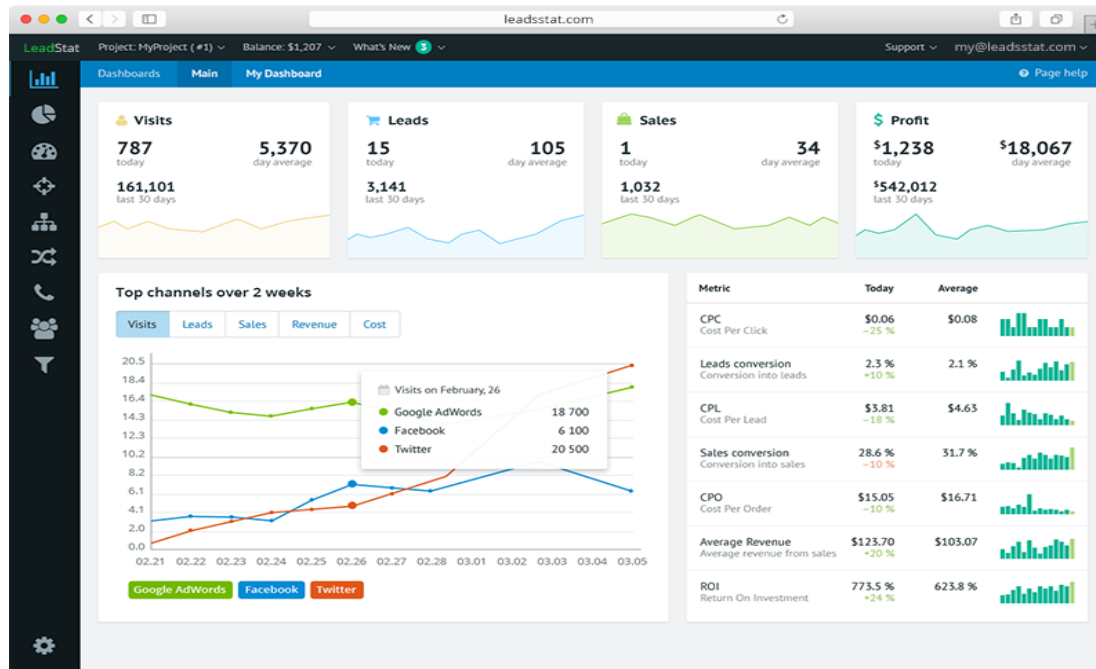


Fig. 7. End-to-end analytics with automatic calculation of indicators.

These indicators will help to track the effectiveness of advertising campaigns, choose the best promotion models, as well as control and adjust the advertising budget.

When the costs are calculated, the company can calculate the profit.

Ad Costs to Sales (A/S) - determining the effectiveness of advertising. Using a simple A / S formula, you can calculate the profit from the promoted product / service minus the costs involved in supporting this product / service. As a rule, the indicator is calculated for the annual period or reporting period of the company.

$$A/S = \text{Total Ads Spend} \div \text{Total sales} \quad (10)$$

Return on Ad Spend (ROAS) is an indicator of the profit that an enterprise has received from advertising campaigns.

$$ROAS = \text{Revenue} \div \text{Spend} \quad (11)$$

ROI (Return on Investment) and ROMI (Return on marketing investment) differ from ROAS in the size of the cost part. ROMI (ROI) takes into account all marketing costs, not just advertising channels (for example, creating a website, developing a new creative for display advertising, etc.) as costs.

$$ROI = \frac{\text{Current Value of Investment} - \text{Cost of Investment}}{\text{Cost of Investment}} \quad (12)$$

IV. RESULT AND DISCUSSION

What needs to be done for effective lead generation and attracting new customers

- 1) To analyze all existing indicators - how much it costs to attract a client, how much money is spent on different channels of attraction.
- 2) Make a portrait of the target audience and include as much information there as possible: not only age and gender, but also fears, pains, problems, goals, obvious and hidden desires, favorite blogs, trusted media, etc.

- 3) Consider a proposal - what is its uniqueness, real benefit for a potential client, and difference from competitors.
- 4) Create a Landing Page with an offer or lead magnet (free material as a gift - a book, instructions, checklist, catalog). The page should have 1 and only 1 clear call and easy form: Name and Email will be enough at first.
- 5) Keep a corporate blog and social networks to share useful information with potential and existing customers. This can be articles about how to use your product, instructions, tips on related topics, etc. Do not forget to periodically integrate your offers there and set up a contact collection form.
- 6) Use content marketing - publish material on other sites: media, blogs, opinion leaders, authors of Telegram channels. To track the effectiveness of different publications, you can use UTM tags or discount codes for readers of a particular resource.
- 7) Work with already collected contacts - via email, instant messengers or phone calls, depending on the specifics of the business. Lead generation should be systemic and effective - the base itself will not give anything, it needs to be constantly "heated".
- 8) Segment your audience to increase efficiency and lower costs. Analyze indicators like lead cost, lead conversion from different channels, average customer check by attraction channels.

According to statistics, 96% of new visitors to the site are not yet ready to make a purchase, although they are all potential customers. This figure shows how important lead generation is. Visitors to your site is just the beginning of the lead generation process. If the company does not have a clear strategy that will translate potential customers into buyers, it will constantly lose in the market and lose profits.

It is necessary to analyze the main indicators of lead generation efficiency, return on investment, and conversion. After finding the most effective methods, continue to test new tools and scale the channels you are already sure of.

REFERENCES

1. Jörg Holenz, Dean G. Brown, Modern Lead Generation Strategies, In book: Lead Generation, May 2016, DOI: 10.1002/9783527677047.ch02
2. Ryan J Miller, Internet Marketing 101, Facial plastic surgery clinics of North America, 18(4), 2010, pp. 509-16 DOI: 10.1016/j.fsc.2010.06.008
3. I. Bashynska, O. Sokhatska, T. Stepanova, S. Rybianets, O. Sobol, Modeling the risks of international trade contracts, International Journal of Innovative Technology and Exploring Engineering, Volume-8 Issue-11, 2019, submitted for publication.
4. Prokopenko O., Kornatowski R. Organizational and economic mechanism of strategic market-oriented activity of industrial enterprises, Economics and Management, Volume : XIV, Issue: I, 2018, pp. 165-173.
5. Bashynska I.O. Using SMM by industrial enterprises, Actual Problems of Economics 12 (186), 2016, pp. 360-369
6. Aleksandar Grubor, Olja Jaksa, Internet Marketing as a Business Necessity, June 2018, DOI: 10.7906/indec.16.2.6
7. Ward Hanson, Converted Enterprises and Internet Marketing, In book: The Anatomy of Russian Defense Conversion, Edition: First Edition Publisher: Vega Press, Editors: Vlad Genin, 2000
8. M. A. Kara, A. V. Zakharenko, Modern Internet Marketing, January 2018, DOI: 10.18411/lj-10-2018-83