

A B2B Marketing Model

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Working with several B2B clients, from software firms and business consultants to major ERP and CRM providers, a reliable model has emerged for obtaining qualified business leads at modest cost.

It requires a Website, a white paper or similar document of value to prospects, a telemarketing capability and a reliable list. Actually a reliable list is key. If there's any doubt about the accuracy of your list, wait until you're sure -- and you'll want to have phone numbers with that list. Here are the steps you can take to obtain qualified leads for your business.

1. Review Your Website

If your Website isn't up to snuff, you'll need to take care of that before you launch this project. Your Website, for better or for worse, tells prospects more about you than you can do in a direct mail piece or even in person. It may, in fact, be telling them more than you'd like if your material has become stale, if links are broken or the date indicated for the most last update is a year old.

Review the look and feel of your site and determine what kind of image it's sending out to visitors who you hope will become prospects. Check the navigation again and see if it's intuitive and if the visitor is able to come away with something of value, including a reason to come back.

You needn't be overly concerned with having the latest rich media bells and whistles. They may be big with kids who want to swap music files and watch rock stars, but few business-to-business users have the time or interest to mess with them.

If the Website is an insurmountable problem, you can offer to mail the white paper rather than have the prospect visit your site and download it. That should be an available option in any case.

2. Create a White Paper

Next you want to develop a document that will project your expertise in your specialized business sector. This is normally done with a "white paper," but there are a few alternatives. A white paper is usually a bit on the technical side. It describes some aspect of the general dynamics of the business environment you operate in or of the product or business solution you plan to offer further on (but without saying so). It may include charts and graphs, formulae and

other technical data, but it should be eminently readable. It should be substantial—at least 10 to 12 pages in length—but not oppressive; not more than 25-30 pages.

There is a quality of instant gratification to a free premium such as this, and the prospect wants to feel that he or she can digest the essentials in about 30 minutes.

Target with the title

Naturally, the more detailed the material, the higher the perceived value of the document. The title needs to be carefully chosen to target one or more key interests of the prospect and it should be clear that the paper is altruistic in nature -- valuable in and of itself -- requiring no further contact with you in order to implement its recommendations, strategies or techniques (but obviously, you could help).

The free white paper is your offer. In lead generation, the offer -- not you or your world-class services—is what you sell. It's the essential first step in getting your prospect's attention, establishing credibility, and making him or her available—and hopefully positively oriented—to your sales pitch.

Interactive marketing works best with people who, by virtue of their personal experiences, previous buying patterns, or company responsibilities can reasonably be expected to be predisposed to your product or service. If you have to sell them first on your product or service category, then sell them again on obtaining that product or service from you, you're probably dead in the water.

For example, if you have to convince a company that they need a customer relationship management (CRM) program before you can sell them on your particular flavor, you will be less successful. Ideally, you want to contact companies who may be already evaluating CRM providers, or about to begin that search.

An alternative to the type of white paper described above could be a detailed case study that provides a useful blueprint for the process or solutions you plan to offer. You needn't identify the company by name, only by size and category. Most prospects appreciate the need for confidentiality.

A variation would be a collection of 10-12 one-page case studies carefully titled to project value: "How Three Fortune 500 Companies Reduced Costs and Increased Sales with Sales Automation," for example, assuming Fortune 500 companies are your target. If your target were small business, you might try, "How Sales Automation is Boosting Profits for Small Business."

Another possibility is an industry survey or study, so long as the data are significant and the analysis sound and meaningful.

Case studies are powerful marketing tools because they provide the decision influence of a positive experience with your company described by objective third parties. They also offer prospects a snapshot of what it might be like to work with your firm and to go through the

product selection and installation or deployment process. Further, they act like triggers to give a decision-maker permission to contact you, since another peer or colleague—perhaps even someone or some company the prospect knows—has attested to their own good decision to do so.

3. Construct an "A" Offer

The "A" offer is you. Face-to-face. It's your free on-site needs assessment, free demo, or free consultation and analysis. It requires you identify the decision-maker early on and get an appointment to visit the company, to interact with the prospect, etc. The resulting report is actually a thinly disguised proposal, but probably without the numbers. The report is also your foot in the door, so if at all possible, you want to deliver it in person to explain key points, answer questions (and not incidentally, show your prospect how you would apply it to his particular situation.) You'll want to be sure that the decision-maker and all of the prospect's influencers are at that meeting.

The white paper is your "B" offer. "B" because it's an arms-length transaction. It promises minimal exposure and no commitment on the part of the prospect. It's also a way of connecting with a responsible individual at the company, even if you don't know who the decision-maker is.

As you've no doubt discovered, not everyone is ready to have you pop in for a face-to-face appointment at any given point in time. That suggests some level of commitment on their part, even if you make it as clear that there is none. That's another reason we have the "B" offer -- to make it easier for interested prospects to respond at arm's length and at least capture their contact information for followup.

4. Write a Letter

In this model the promotion letter is two pages in length, and it is personalized. You can print front and back of a single sheet if your prospect is middle management, but you'll want to consider two sheets of quality stationery if you're writing to "C" level executives (CEO, CIO, CFO, etc.).

A proven opening for the letter is to build it around a successful case study, but abbreviated. Tell the story and make the point in no more than 3 paragraphs. The more compelling the imagery the better. Write as you would talk if you were sitting across the desk from your prospect and don't be afraid to be direct, and reasonably casual, as if you were talking to a colleague.

Write in second person—"you." Keep to words of one syllable as much as possible. Sentences and paragraphs should be short. Avoid "corp-speak," except for light use of "insider" jargon or key words that will help demonstrate your familiarity with the prospect's business. Show at the outset of your case study that this story contains a valuable benefit for the reader: "XYZ corporation slashed inventory costs 39% in five months—and you can, too!" Note the specifics of 39% and five months. They lend credibility. "ABC company increased revenues 16% since adding [widget] to their product mix."

In the letter, you want to demonstrate your knowledge of the field and lead the reader to the white paper which will greatly expand on your points and provide or at least point to solutions (which you will be happy to implement).

Beyond that, **AVOID SELLING YOURSELF, YOUR PARTICULAR PRODUCT OR YOUR FIRM!** This is what separates the amateurs from the DM pros. The letter must sell the offer (the white paper), not the product, tempting as it may be to launch into your sales pitch. You can include company information in an advisory capacity in an insert or accompanying brochure, but don't sell it.

This dynamic is similar to the differences between an "editorial" ad or a news item featuring your product or service in a newspaper and a commercial ad in that same paper. The editorial ad and the news item carry greater credibility than the commercial effort and they attract a higher quality of inquiry. Avoid hype and superlatives in any instance when you do talk about yourself or your company. "No brag, jes' facts," as Walter Brennan used to say.

5. The Premium Insert

In addition to selling the white paper or other premium document in the letter, you may want to add greater involvement to the package overall and further dramatize the premium through the use of a premium insert. This device is more effective with mid level executive than at the "C" level—VP sales or marketing, project manager, and HR director, as opposed to CEO, CFO, etc.

The insert is a folded piece of paper, usually in some lightly colored stock to help it stand out from the letter. It can be a simple "bucksliip," so-called because it's about the size of a dollar bill, roughly 8" x 3 1/2", or it can be a larger piece, folded so it fits a #10 envelope. (All documents being machine inserted into an envelope require 1/2" clearance left to right and 1/4" top to bottom. If the piece is folded, it must be inserted with the folded side down.) The bucksliip has text and graphics on one side, so the message is immediately accessible to the reader. Folded pieces are printed two sides with a teaser-type intro on the front and promotional text on the inside.

In addition to more dramatically promoting the white paper or premium, the insert provides an opportunity to project a visual look and feel for the firm, especially since there is no product brochure. If you insist on enclosing a tri-fold company brochure, let that be it and skip the insert. Again, including a company brochure will shift the nature of the communication slightly from editorial to commercial, or from objectively valuable "content" to self-serving "advertising." High-tech and cool, down home and friendly, button-down business or casually personal -- whatever business "persona" you wish to communicate, you can do it with the insert. Naturally, the look and feel here should be consistent with the company's culture and visual image.

6. The Reply Device

The reply card, if there is one, should be distinctive and as easy to use as possible. I say "if," because more and more, respondents are using the Internet to request the premium document which you may want them to do, so they'll have an opportunity to encounter other facts about the company.

Many feel, however, that it is good strategy to have a "snail mail" reply card available for those who don't wish to go on the Web at that moment, or who may be less comfortable (or more likely fed up) with the Web. You must decide whether someone like that is a good prospect for your business. In addition, there's a school of thought that says a reply card, even if it isn't used, projects the idea of response.

In any case, to fit the contact information and several qualifying questions on the reply device, you'll need to forego the Business Reply Mail specifications and create a card that requires a stamp or even an envelope. That adds to the qualifying dynamics, but you can also pre-stamp or pre-meter them if you prefer.

7. Qualifying Questions

On both the registration form on the Website, and the reply card, you can further qualify your respondent by asking 3 to 5 questions beyond pure contact information, relating to the prospect and his company. Annual sales, number of employees, use of any competing products/services, assigned budget and decision timeline are all valid questions to ask.

The quantity/quality ratio

One dynamic you'll want to consider in framing your offer is the universal truth that you can't have it both ways. The higher the quantity (volume) of response, the lower will be the quality (interest level) of the respondents. The more questions asked (and answered) therefore, the higher the level of qualification, but the lower will be your gross response.

Costs and results

In a recent estimate for a model similar to the above, costs were \$0.90 per piece in the mail at 10,000 pieces, \$0.75 each for 20,000, plus a one-time creative fee between \$5,000 and \$6,000. Using these numbers, a 1% gross response at 10K delivers 100 prospects at \$90 cost per inquiry. At 20K, with a 1% response, the cost per inquiry is \$75. If we assume a 20% conversion rate, you get a new customer for about \$400 (+/-).

Once you have a successful model, you can continue to mail it with comparable results, give or take the effects of changing list quality, timing and other factors.

The conversion rate, or how many prospects eventually become customers, depends on your ability to promptly and effectively follow up leads and close sales. Gross response rates are notoriously fickle, depending first on the quality of the list (40%), second on the perceived value

and timing of the offer (40%), and finally on the creative (10%-20%). The response range for an effort of this type can run anywhere from 0.25 percent to 2.0 percent.

The question you have to answer is "how much is a qualified lead worth?" Or more importantly, "How much is a customer worth?" Then plan accordingly.

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