THE CRITICAL IMPORTANCE OF LEAD VALIDATION IN INTERNET MARKETING
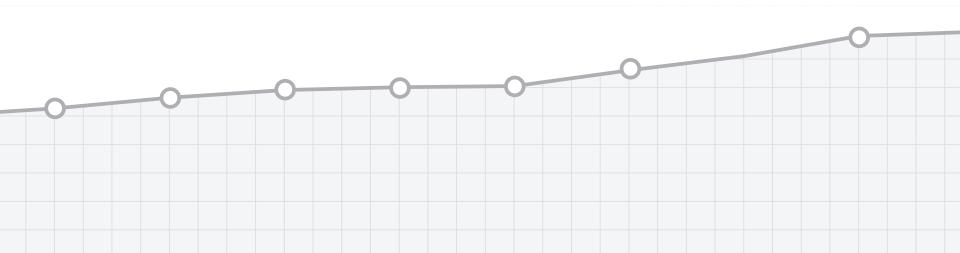
By Aaron Wittersheim

Lead validation is the process of separating sales leads from other types of phone and form conversions generated by Internet marketing campaigns. Without lead validation, it is difficult if not impossible to understand the effectiveness of lead generation campaigns, including SEO, PPC and display advertising. Straight North places so much importance on lead validation that we have deployed an entire staff dedicated to the laborious work of validating leads, supported by a proprietary online platform created by our development team to collect, organize and facilitate the analysis of conversion data.

Over the last 18 months, we have gathered a substantial amount of data, some of which has proven rather surprising, even to us.

In this article, we'll share some of our most important findings in the hope it will help you design more efficient campaigns — structured for rapid, continuous improvement.

PURPOSE OF LEAD TRACKING AND VALIDATION ACTIVITIES

Lead tracking and validation give online marketers the ability to optimize campaign performance to a much higher degree than can be achieved by relying on inquiry data only. The tracking and validation system should be geared to meet the following objectives:

- Knowing the online marketing source of every validated lead.

- Knowing how many inquiries are sales leads versus other types of conversions.

- Knowing the accurate cost per lead (as opposed to the cost per conversion, which, as we will see, can be seriously misleading).

- Having the ability to optimize campaign performance based on sales leads versus other types of conversions.

- Improving campaign performance more rapidly and more accurately, delivering markedly improved results for clients.

LEAD VALIDATION DATA COLLECTED BY STRAIGHT NORTH

Over the last 18 months, we have collected and analyzed more than 373,000 inquiries, consisting of more than 135,000 form submissions, and more than 237,000 phone calls totaling over 1 million minutes. Of these 373,000 inquiries, only 23,000 were not validated, leaving 350,000 inquiries that went through the entire process.

Of these 350,000 inquiries, over 178,000 were sales leads — about half.

Other extremely important data points:

Validated Leads by Day of Week:

- Monday, 19 percent

- Tuesday, 19 percent
  (Tuesday usually outperforms Monday by a narrow margin)

- Wednesday, 18 percent

- Thursday, 17 percent

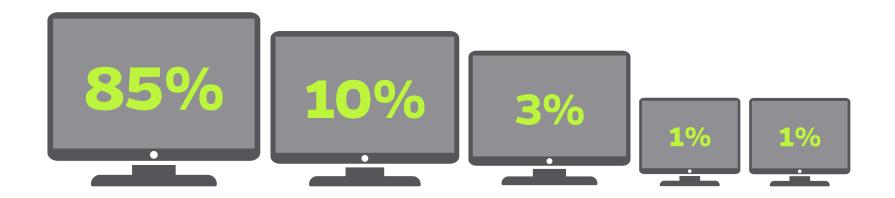- Friday, 15 percent

- Saturday, 6 percent

- Sunday, 5 percent

M	T	W	T	F	S	S
19%	19%	18%	17%	15%	6%	5%

KEY CONCLUSIONS OF LEAD VALIDATION DATA ANALYSIS

1. The first visit is the crucial visit

Many experts talk about complications of click attribution and how visitors come through multiple channels on their way through the buying cycle. **With the data above, we can see with a lead generation campaign the staggering amount of visitors who convert into a sales lead on their first visit.** After the first visit, the drop off is rapid and significant. This tells us that with lead generation, many website visitors are simply searching for the best company, vetting it based on website quality, and once they find the ideal company, they convert into a sales lead.

2. No lead validation = overstated results

Roughly 50 percent of all inquiries are not sales leads, instead made up of things such as:

- ✔ Customer service communication
- ✔ Sales solicitations
- ✔ Job applicants
- ✔ Phone misdials
- ✔ Auto-dialers
- ✔ Full voice mail systems and other phone menu issues

- ✔ Spam form submissions
- ✔ Empty form submissions
- ✔ Form submissions missing contact information such as an email or phone number

The majority of Internet marketing companies and their clients use Google Analytics goal tracking data to gauge the effectiveness and progress of their online marketing campaigns. There are major holes in this type of tracking for lead generation:

- It only includes counts of form submissions (no qualitative analysis).

- No phone call data is included, thus excluding as much as 60 percent of the total picture.

- You cannot see the actual form submission that came from the Google Analytics goal.

- You cannot validate the completed Google Analytics goal was a sales lead.

Clearly, issues arise when the cost per lead and ROI calculations of a campaign are based on lead generation data that is 50 percent inaccurate. Furthermore, using such grossly incomplete data to improve online marketing campaigns will almost certainly lead to incorrect adjustments; for example, un-validated data may lead you to emphasize one conversion source over another, whereas complete, validated data would indicate another source should be emphasized.

50%
INACCURATE
DATA

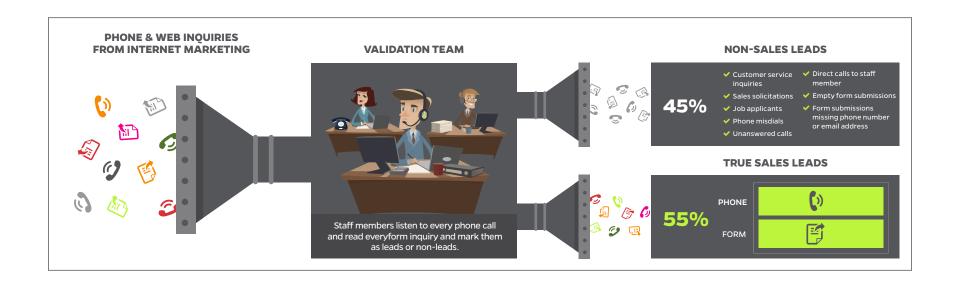# SUMMARY: WHY LEAD VALIDATION IS A NECESSITY

Based on our extensive data, an extremely high percentage of inquiries — roughly 50 percent — are something other than actual sales leads. Without a validation process, clients will easily fall into two serious traps:

✔ **First,** they will overestimate the results of their campaigns, possibly by as much as 50 percent. This will lead them to invest in campaigns judged to be contributing ROI — campaigns that are in reality generating minimal returns or even losses.

✔ **Second,** they will not be able to accurately determine which campaign elements are generating sales leads, as opposed to inquiries. This means campaigns will improve more slowly, or campaign changes judged to optimize lead generation will instead have a neutral or negative effect.

STRAIGHT**NORTH**

Bottom line: To make every dollar invested in an Internet campaign have maximum value, to make every click count, a lead validation component must be added to the campaign management process.

PHONE & WEB INQUIRIES FROM INTERNET MARKETING

VALIDATION TEAM

Staff members listen to every phone call and read everyform inquiry and mark them as leads or non-leads.

NON-SALES LEADS

45%

- ✔ Customer service inquiries
- ✔ Sales solicitations
- ✔ Job applicants
- ✔ Phone misdials
- ✔ Unanswered calls
- ✔ Direct calls to staff member
- ✔ Empty form submissions
- ✔ Form submissions missing phone number or email address

TRUE SALES LEADS

55%

PHONE

FORM

AARON WITTERSHEIM
CHIEF OPERATING OFFICER

As Chief Operating Officer at Straight North, Aaron's focus is on Internet marketing services, website service and technology. He provides a critical link between technology and strategic Internet marketing by ensuring that the agency maintains the technical efficiency and sophistication to carry out its complex, integrated campaigns. Aaron's highly successful search engine marketing and Web development firm, Whoast, Inc., launched in 2005, was acquired by Straight North in 2009.

ABOUT SN

Straight North is an Internet marketing agency that helps growth-minded, small and middle-market firms generate online sales leads and e-commerce revenue. With an in-house team of over 60 full-time marketers, we have the depth and breadth to manage complex, multi-front campaigns that deliver continuously improving results.

Our services include SEO, PPC, display advertising, email marketing and responsive websites.

We are the only online agency that validates and reports sales leads in real time. This unique capability gives clients the ability to evaluate campaigns with unmatched accuracy, as well as monitor their leads with unmatched speed.