Marketing During the Marketing of Transparency

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TARGET DIRECT MARKETING

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The lead generation industry is in a mad scramble to deliver you better leads. Every company with any wherewithal feels the burn on its ears as questions about lead quality and standards follow the industry. And there's good reason for the unrest.

The Interactive Advertising Bureau reports that Lead Generation accounted for 5% of the entire revenue of online advertising for 2012. In 2013 with the imposition of new TCPA regulations, that share slipped to 4%. While the industry maintained the 4% share for 2014 overall, it slipped to 3% in Q4. This stagnation is a persistent point of anxiety for an industry uncertain of its reputation.

As a result of that anxiety, businesses focused on improving or guaranteeing lead transparency are opening their doors. Transparency, a topical descendent of TCPA, is a message more refined and focused upon communication and openness. It's a way to check that your supplier is being honest about the leads they provide. But at times the conversation seems in danger of being twisted into a witch hunt for the lead gen industry.

Some lead buyers got a raw deal before 2013, as they were shoveled data purchased in back alleys. Since then vendors and lead generators have willingly accepted regulations and shouldered extra solutions from non-federal third-party entities to enact new widespread standards that require leads be tracked through nearly every step of the generation process. To be succinct, we've made improvements in the area.

The transparency conversation will not end soon, if ever. As technology and innovators debut, its definition will evolve as quickly as the industry does. Third-party transparency bodies with the largest foothold as of now have done so with remarkably little intrusion into the daily activities of vendors. As more third parties regulators show up, it's impossible to tell if that will remain the case. Any intrusive restrictions may raise operating costs and subsequently the cost per lead for buyers. Generally speaking, that's fine, because higher quality leads do cost more.

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The problem is that although you will be able to see more about where your leads came from and how they were generated, there is no guarantee that activities of these regulating bodies and businesses will actually improve the results of your campaign. Yet in a shaky industry landscape where companies too young to remember the last presidential election will rise to prominence and promise new levels of transparency based on their proprietary technology or standards, there are a few reasons to maintain confidence:

- **You have the data.** Whether you choose to subscribe to these regulating bodies or not, no matter which one is popular at the time, you can always pull on your own historical data to optimize. Whatever the state of the industry, cost per enrollment/start will always be your most important metric. This will vary from month to month, but you'll be able to measure how any raised costs of leads backed by new regulating bodies actually translate to dollars. Also, look at your conversions. **Industry standard is still about 2%.** Again, this will vary month to month, but find out what you're doing with your current program and take an honest look at how much that might actually improve.

- **Your top converters and deliverers didn't end up that way by accident.** Just because they're not a member of some six-month-old company's approved list doesn't mean they're suddenly poor industry players.

- **The most important thing you can do is be transparent with your vendors.** Too many clients set a campaign and let it run without nurturing it. If you provide feedback about which leads are converting, your vendors will optimize and get better, whether they're a part of the newest transparency club or not.

Next time you hear hysterics about the industry's integrity, just weigh it with your own experience. You've got the data about what works for you, so you've got the power.