

By Robert W. Bly



Are You Going In or Out?

Explore inbound and outbound marketing channels, and see which produce better leads for your company

Which works best for B-to-B lead generation—inbound or outbound marketing? Inbound refers to prospects contacting marketers “out of the blue,” because they are actively interested in specific products or services. Conversely, outbound marketing requires marketers to reach out and touch prospects proactively, e.g., with a postcard, telemarketing call, e-mail or magazine advertisement.

The question of which marketing—inbound or outbound—generates the best leads can’t really be answered authoritatively, because it’s too broad. If we say the winner is “inbound,” does that mean every type of inbound communication produces better leads than every type of outbound communication? Such is not the case.

A better way to approach the question is to examine each inbound and outbound marketing channel and evaluate the quality of leads produced on a case-by-case basis.

In the table to the right, I list the major marketing communication methods of B-to-B lead generation, indicate which I consider inbound vs. outbound (you may disagree with some of my choices), and rate them on a scale of 1 to 5 (1 = low, 5 = high) for quality of leads and ROI. Quality of leads mainly measures whether the marketing communication attracts prospects who fit your customer profile, have a need for your product or service,

and are predisposed to buy from you instead of your competitors.

ROI measures whether the leads turn into orders, generating revenues far greater than the time and money spent to obtain them. Note: These ratings are my own and to a degree subjective, based on three decades

of experience in B-to-B marketing; they are not based on statistically valid research.

Organic Search

The biggest controversy in lead generation is traffic generated by
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Marketing Channel Lead Quality/ROI—Bly’s Rankings

Marketing channel	Category	Lead quality	ROI
Articles	Inbound	4	4
Blogs	Inbound	4	3
Books	Inbound	5	4
Direct mail	Outbound	3	4
E-mail marketing	Outbound	3	5
Organic search	Inbound	3	3
Pay-per-click advertising	Outbound*	4	3
Public Relations	Inbound	4	5
Print advertising	Outbound	4	2
Seminars, live	Outbound	5	3
Social networking	Inbound	4	2
Telemarketing, inbound	Inbound	5	4
Telemarketing, outbound	Outbound	2	3
Tele-seminars	Outbound	4	4
Trade show exhibits	Outbound	2	2
Yellow Pages	Outbound	5	3
Webinars	Outbound	4	4
Web sites	Inbound	3	3
White papers	Inbound	4	3

Key: 1 = low, 5 = high

*I rank pay per click and other advertising as outbound because you are proactively placing advertisements to attract new business.

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organic search. Some marketing writers erroneously tell us organic search leads are the best leads. They reason that prospects would not search your keyword unless they were researching product purchases. Therefore, organic search brings you good prospects: those in shopping mode.

The quality of organic search leads depends, however, on the keywords being searched. Searches performed on broad keyword terms (e.g., “limousines”) attract visitors who are in the early stages of product research and therefore not hot leads. When a search is performed on highly specific keywords (e.g., “used Lincoln Continental limousine for sale in New York area”), the prospect is most likely further along in the research process and closer to making a buying decision.

The reason I do not rate organic search leads higher is that, while these prospects may be predisposed to buying, they are in no way predisposed to buying from you. Indeed, the very fact that they are doing a Google search on a generic keyword probably means they have little brand loyalty. As a freelance copywriter, some of the worst leads I get are people searching for freelance copywriters on Google. These prospects often view copywriting as a commodity service and are likely to choose low price over experience and quality.

Conversely, the best leads that service professionals, like myself, get are typically people who call or e-mail us because they know us by reputation and may even be fans of our work. The absolute best leads I get are prospects who have read my books and articles, or heard me speak at a seminar, conference or workshop.

Social Networking

I rated social networking a 4 in lead quality. Networking always has produced good leads, and social networks are basically networking moved online. So far, however, most

B-to-B marketers have been unsuccessful in establishing metrics to measure social media ROI. Some argue that the ROI has to be high because social networking is virtually free. But they neglect ROTI, return on time invested. A survey by Michael Stelzner of WhitePaperSource found experienced social media users spend two to four hours per day using it, which means an investment of up to half their work weeks.

Direct Mail

Direct mail has long been considered the “workhorse” of lead-generating B-to-B marketing communications. Ten years ago, I would have rated the lead quality a 4, because postal list

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selects enable narrow targeting so you can mail only to prospects who fit your ideal customer's profile. I downgraded direct mail lead quality from a 4 to a 3, because lately in B-to-B, I find prospects with more urgent needs respond to electronic or phone marketing, while those whose needs are not as immediate are more likely to mail back a business reply card requesting your catalog, brochure or white paper.

ROI of direct mail-generated leads is a 4, because the leads you do close often make significant purchases in the multiple thousands of dollars. As a rule, you can get 10 percent to 25-plus percent of direct mail leads to take the next step in your buying cycle, whether agreeing to see your rep or sending you a purchase order. Direct mail that works usually generates a positive and significant

ROI, producing revenues many times greater than the campaign cost.

E-mail

E-mail gets a 3 in lead quality. You can target the right prospects. But Internet users often have an element of distrust for e-mail. So a single e-mail isn't going to move prospects very far forward in the buying cycle.

ROI from e-mail is a 5. That's because e-mail marketing is so cheap, even a few orders can yield an ROI equal to many multiples of the promotion cost. When you rent opt-in e-lists, your cost per thousand can be \$200 or more. E-mailing your own list, depending on what service you use, is a fraction of a cent per name.

Public Relations

I also gave public relations an ROI rating of 5 because the cost is so minimal that any business generated usually pays for the PR campaign many times over. Lead quality of PR is a 4, because people believe and trust editorial content more than marketing copy.

So the Winner Is ... ?

Remember, there isn't a single winner—it's subjective, based on your specific marketing plans. The point is that in the debate of outbound vs. inbound marketing, you simply cannot make a sweeping generalization about which is better. You must evaluate the lead quality and ROI of each marketing channel individually. But the quality and ROI for each medium can vary greatly from industry to industry, even from company to company. My recommendation: Test them, track results, do not repeat those that fail and do more of the ones that work. ■

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