Why Do Advertisers Need to Use Lead Generation?

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ABSTRACT

As evidence mounts on the importance of online advertising and the opportunities presented by new-shaped lead generation companies globally, it becomes important to understand the key issues that determine what the lead generation is and how does it works? Therefore, the key contribution of this article to current knowledge is the development of a conceptualization, supported by the literature that will provide an interpretation of what determines advertising successful on the Internet. Critically, this is the first article to explain the important role that how the business and specifically small business are able to advertise for right user at right time.

Keywords: Interactive Agencies, Lead Generation, Online Advertising, Proprietary Technology, Small Businesses

ONLINE WORLD AND NEW TREND

The growing popularity of social networks such as Facebook and LinkedIn demonstrates how the internet is changing; users are no longer simply downloading static data, but are increasingly uploading and sharing content among themselves, leading to a proliferation of social networks and other user-generated content sites (Harris & Rae, 2009). Li and Bernoff (2008) refer to this basic transfer of power from institutions to individuals and communities as ''the groundswell'' and it forms the title of their thoughtful and thoroughly researched book on the topic.

The user, upon entering into the cyberspace, shows some behaviors. For instance, the user, seeing the homepage of a given website, reacts to it and may click on an advertisement. However, the main question is that what features of the ad have been able to attract the user and persuade him to click on? Regarding

the depth of involvement between the ad and the user, other questions are also posed. For example, how much time the user has spent visiting the website? What other pages, other than the homepage, has he visited and focused on? In order to answer these questions and investigating the effect of being aware of users' behaviors on the marketing performance of a website, companies have been emerged which are called lead generation companies for they generate lead. The main advantage of these companies is the emergence of a new concept in marketing as performance-based marketing. Having access to personal information of the user, as gender, age, occupation, income level, etc. can significantly help internet advertising.

Introducing lead generation is important because it is the main activity before publishing an ad or any other activity in the internet. The reason is that an ad which is formed by correctly identifying target customers, their wants, stimulants, and motivations of shopping is highly efficient. Therefore, marketers always try to identify the presents needs and wants of their audience and match their solutions with them. The efforts of marketers on the one hand, and emergence of new technologies in the interactive media on the other, have resulted in the emergence of a new concept as lead generation in marketing and online advertising which responsible for collecting data on trends and ways of surfing different websites by the users.

UNDERSTANDING THE ONLINE LEAD GENERATION

Globalization and the increasing popularity of the internet mean that the internet is becoming a powerful marketing tool for converting innovation to economic value for business (Fu & Wu, 2010). The goal of advertising is to deliver messages that positively influence current or prospective customers. Given that advertising has such an influence on customers, corporations spend considerable time and funds creating and placing advertisements. As such, US advertising expenditure are around $320 billion (Green & Elgin, 2001). When firms realize that their web site can be a significant medium for interacting with present and prospective customers; they should also recognize that Internet advertising is an integral element of corporate advertising strategy (Boudreau et al., 2006). Figure 1 demonstrates the internet's role in lead generation.

The present study, with a look on presence in the internet and applying its unique tools, focuses on identifying users' behaviors rather than observing, estimating, or predicting it. This study states that marketers, employing appropriate tools, can exactly identify user's behavior and present the appropriate goods in his surfing path. Thus, the aim of the present study is to offer primary insights into employing lead generation companies so that the researchers of advertising treat and study it as a tool for identifying online behavior. The main features of this concept are presented in the following.

Dimensions of Lead Generation

Lead generators offer performance-based results to hundreds of online marketers (Adteractive. com, 2011). Specific technology, innovative marketing strategies, and a data base are considered as the important requirements of high quality lead generation. These three factors prepare the ground for generating appropriate and customized leads offering favorable results to the users of these leads. Lead generators using innovative marketing strategies and specific technologies, offer solutions for generation qualitative leads for advertisers. Another factor which enables lead generators to monthly generate millions of leads is the high level of customer service, useful skills and experiences.

Lead generators, using some tools, are able to trace user's behavior in the cyberspace and finally provide the customers with analyzed data pack called leads. In order to generate leads, the interactive agencies need to trace users in different websites to record their interests and change the data collected by specific tools into leads. At the end, they sell the generated leads to advertising agencies, online marketers, and internet publishers (Qinteractive.com, 2011).

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