



Lead Generation for Smaller Businesses

One of the most effective lead generation methods is direct mail ... however direct mail works better when followed up with telemarketing. The national average response rate to a direct mail campaign is .5%. A direct mail campaign followed up with telemarketing yields an average response rate of 2%. Keeping these averages in mind, a direct mail campaign to 1,000 prospects followed by telemarketing could result in 20 potential leads.

The Challenge

Many small businesses do not have the financial resources to launch a large campaign, nor do they have the human resources required to conduct the follow-up on the leads that are generated. Yet, mail houses and telemarketing firms are set up to make their profits on larger scale campaigns. For example:

- Most of the big telemarketing firms charge start up fees and have large minimum project requirements such as 100 hours. With the average telemarketing services costing \$45 to \$60 per hour, a 100 hour campaign can cost anywhere from \$4,500 to \$6,000 in addition to start-up fees. The up-front cost is often too much of a financial burden for a smaller company to bear at one time.
- Depending on volume, mailing houses can cost anywhere from \$.75 to \$1.95 or more to print and mail a letter or post card. This can add an average of \$1,500 to the budget.

Some smaller companies attempt to do the printing and mailing in house but find that time and equipment is not adequate for a large scale direct mail. Others may even try the telemarketing in house only to realize that it is a frustrating and time consuming effort.

As a result of the financial and human barriers, many small businesses forego direct mail and telemarketing lead generation campaigns, thus providing opportunities for their competitors to gain those valuable leads.

The Solution

The Spectrum Services Group offers a solution to the overwhelming challenge of conducting a lead generation campaign that is financially feasible and sustainable. Our solution provides an affordable, on-going lead generation process that is designed

to keep a steady trickle of leads coming in which is manageable from a time and financial standpoint. Our solution follows three basic principles:

1. Rather than purchasing a large list focused on a broad range of businesses, buy a smaller and more focused list that matches your criteria for the ideal client. Once the list is purchased, break it down into manageable chunks based on the number of leads you can handle. For example, a direct mail and telemarketing campaign on a list with 600 names can be broken down into 100 names over a six month time frame.
2. Rather than paying premium printing fees by outsourcing printing costs, make the printing cost more manageable by keeping it in-house. Most clients can manage the printing and mailing of 50-200 letters per month along with the cost, which typically doesn't exceed \$.50 for postage, paper, envelopes and use of the printer. However, if this isn't something you can or want to do, The Spectrum Services Group can also provide small scale print and mailing services and we would be happy to provide you with a quote.
3. Finally, The Spectrum Services Group offers a boutique telemarketing service that can manage your small scale campaigns. Our group of TeleSpecialists present themselves as if they are calling from your office and represent your company accordingly. They are motivated by your success in generating qualified leads, not by "lead bonuses" or sales commissions. With our personable approach to TeleServices, the leads that you receive from our TeleSpecialists are neither forced nor contrived.

Spectrum helps our client refine their target market, develop a direct mail letter and, in some cases the offer fulfillment piece. Although we set reasonable expectations, we cannot make guarantees as to the number of leads that you will receive. Response rates vary wildly depending on market saturation, how focused the offer is among other variables. *There are no response rate guarantees!*

The Results

Our clients overall have seen terrific results. Although there are no response rate guarantees, The Spectrum Services Group consistently beats the 2% average response rate. The success of our campaigns has yielded an average of 5%, more than double the national average; however, *there are no response rate guarantees!*

Cost

At \$45.00 per hour, we charge one of the lowest rates available. This is competitive with all of the Sage Preferred Vendors, and we do not charge a set up fee. We average 5 minutes per call, so a list of 100 names costs \$375.00. We typically make contact with 25% of the list on the first round. Using this example, the second round of calls on a 100 name list would be to 75 names at a cost of \$281.25. Using this scenario, a two call campaign to 100 names would cost a total of \$656.25. After the first round of calls we

will provide a quote for a second round based on the number of names remaining. The choice is yours if you want to call a second or even third time.

Many of the larger firms quote 2.5 average minutes per call. The difference is that their telemarketers are incentivized to make as many calls as they can in the fastest time possible. This can result in hurried conversations and less than ideal "leads".

Our TeleSpecialists are paid an hourly rate that is double the industry standard, and they are not incentivized financially in any other way. As a result, you have professional, caring people whose only objective is to find potential leads for our clients. We feel it's this personal attention that drives our results.

Conclusion

It is not our intention to compete with the large telemarketing firms, nor do we have the capacity to do so. We have a 400 name maximum per client, per month, and will happily accept campaigns as small as 50 names. For larger scale campaigns, we highly recommend Turner Marketing, whose level of professionalism seems to closely match our high standards.