

BROUGHT TO YOU BY PONTIFLEX INC.

# THE ONLINE LEAD GENERATION GLOSSARY

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*GET TO KNOW THE FASTEST GROWING  
SEGMENT IN ONLINE ADVERTISING*

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# THE ONLINE LEAD GENERATION GLOSSARY

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## ONLINE LEAD GENERATION

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Online lead generation advertising refers to a number of internet-based methods for generating customer leads.

Advertisers pay for impressions in most online banner campaigns, and for clicks in search engine marketing campaigns. However, they pay exclusively for leads in an online lead generation campaign – irrespective of the impressions and clicks that went into generating the leads. This is why online lead generation advertising is commonly referred to as Cost-per-Lead (CPL) advertising.

*Fact:* Online Lead Generation is the fastest growing segment in online advertising. With 71% YTY growth, it is growing twice as fast as the online advertising market, and is projected to cross \$2 billion by 2008. (Source: IDC Research).

Commonly used online lead generation techniques include co-registration advertising, custom-co-registration and full page lead generation.

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## LEAD

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A lead is a sign-up for an advertiser's offer and is comprised of the user's contact information (see "fields," below). A lead may consist of as little as an email address, or it may involve a more detailed set of data. Also sometimes referred to as PII data (Personally Identifiable Information).

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## FIELD

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A lead is comprised of data fields about an end user. Standard fields in online lead generation campaigns include first name, last name, email address and zip code. Publishers also offer premium fields such as address, gender, phone or date of birth at an added cost.

### **TIP: DECIDE ON AN OPTIMAL NUMBER OF FIELDS PRIOR TO THE CAMPAIGN**

- Increasing the number of fields reduces the available universe of leads, as many publishers don't offer premium fields. A larger number of fields in a form also increase consumer drop-off. Finally, collecting a larger number of fields drives up the cost of the campaign.
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## RETURN ON INVESTMENT (ROI)

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ROI (return on investment) is a measure of how successful a marketing or campaign was. ROI is calculated by determining what the measurable results were for the marketing spend invested.

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## CPM/CPC/CPL

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These are the pricing methods commonly found in the online advertising industry:

- CPM: Cost per Thousand. The CPM model refers to advertising bought on the basis of impressions. Advertisers pay a predetermined price for a thousand impressions.
- CPC: Cost per Click. Advertisers pay for a click, irrespective of the impressions. Commonly found in search advertising. Also referred to as PPC (Pay per Click) advertising.
- CPL: Cost per Lead. Advertisers pay for customer leads, irrespective of clicks or impressions. Fastest growing segment in online advertising.

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## SALES LEADS

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Sales leads are generated on the basis of demographic criteria such as FICO score, income, age, HHI, etc. These leads are often resold to multiple advertisers. Sales leads are typically followed up through phone calls by a sales force. Sales leads are typically only used in the mortgage, insurance and finance industries.

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## TRANSPARENCY

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Transparency is critical to the success of an online generation campaign. At its most basic level, transparency enables:

- Consumers to explicitly sign up for an offer knowing exactly what they are signing up for.
- Advertisers to know exactly where their offers are running.
- Advertisers to optimize campaigns by mapping leads to their sources.

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## MARKETING LEADS

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Marketing leads are brand-specific leads generated for a unique advertiser's offer. In contrast to sales leads, marketing leads can only be sold to the advertiser whose offer a customer responded to. Because transparency is a necessary prerequisite for generating marketing leads, marketing lead campaigns can be optimized by mapping leads to their sources. Pontiflex introduced marketing leads.

### THE MAIN DIFFERENCE BETWEEN MARKETING AND SALES LEADS

- Sales leads are generated for a particular industry – finance, mortgage, insurance, etc.
- Marketing leads are generated for a unique brand – Wells Fargo, Coca Cola, HP, etc.

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## PRIVACY PROTECTION

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User privacy must be protected in online lead generation advertising by ensuring compliance with the following best practices:

- Ensuring that users know exactly what offer they are signing up for.
- Ensuring that end user data is only sent to the advertiser for whose offer they opted-in and never resold to other non-affiliated advertisers.
- Ensuring that end user data is encrypted at all times during data transfer.
- Ensuring that all email communication sent to leads are CAN-SPAM compliant, and most importantly that they include an easy way to opt-out (unsubscribe) from future emails.

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## VALIDATION

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Lead validation is the process whereby leads are checked to ensure they satisfy all stated criteria. Lead validation commonly involves checking against a database or specific logical rules.

*Lead validation is critical:* Every year, more than 44 million people move. Phone numbers get recycled in as little as 30 days.

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## PUBLISHER

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Online content website, portal or social networking site that accepts advertisements and serves them to visitors in return for payment by advertisers.

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## NETWORK

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A network represents a group of websites aggregated for the purpose of selling advertising. Networks can deliver increased reach, but often suffer from a lack of transparency in terms of visibility into the quality of member sites and the specifics of advertising placements.

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## BROKER

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An intermediary between publisher and advertiser who buys and sells leads for a commission. By blocking advertiser visibility into campaign placements, brokers have often contributed to the lack of transparency in the online lead generation market.

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## CO-REGISTRATION

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Lead generation advertising method by which data fields are collected during the publisher's registration process and sent to the advertiser with the user's explicit consent.

The screenshot shows a registration form for Tracks.com. It has dropdown menus for 'Select Region/State' and 'Select Country'. There are two checkboxes under 'Special Offers'. The first checkbox is for a 'FREE Sierra Trading Post Catalog!' and is circled in red. The second checkbox is for '2 RISK-FREE Trial Issues of BACKPACKER and The Best Trails in America FREE!'. There is also a 'HACKER SAFE' badge in the top right corner.

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## CO-REGISTRATION PATH

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A co-registration path is a series of online advertisements that are presented to a user after they have registered for a web site or completed an action.

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## CUSTOM CO-REGISTRATION

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An offer wherein the advertiser receives the standard fields collected by a site as well as answers to few custom questions – e.g. “Have you traveled overseas in the last six months?” Particularly useful for advertisers that are looking to sell specialized offers and need additional data points.

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## FULL-PAGE LEAD GENERATION

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Also known as “long-form lead generation,” this is defined as an advertiser offer appearing as a full-page ad in an HTML format with relevant text and graphics. The advertiser receives the standard fields and answers to custom questions that s/he defines. Long-form lead generation is typically found in the education industry where advertisers want detailed user information.

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## HOST & POST LEAD GENERATION

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One of the most common forms of online lead generation advertising placement. The publisher hosts the advertiser form on her/his web page. The publisher then “posts” or sends the data to the advertiser. Refer to the section on data transfer below for common methods of data transfer.

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## DATA TRANSFER

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In an online lead generation campaign, user data needs to be transmitted from a publisher to an advertiser. Advertisers can choose to receive data from publishers in a variety of formats. Common industry formats include (ranging from least automated and least secure to most automated and most secure):

1. Email: leads are sent in an email. Also the most insecure form of data transfer. With increasingly strict regulation concerning data security, email data transfer is being replaced by more secure methodologies.
2. FTP (File Transfer Protocol): FTP is a file transfer protocol for exchanging files via a folder-based drag and drop application. Not real-time.
3. HTTP GET & HTTP POST: Server to server connection in real-time. The most common method of data transfer today.
4. HTTPS: Similar to HTTP in that it is real-time, the primary difference being that in HTTPS the data is encrypted. Strongly recommended for data transfer in online lead generation campaigns whenever possible.

The Internet Advertising Bureau (IAB) has issued a set of best practices for data transfer to educate both advertisers and publishers on data transfer. Pontiflex offers one-stop compliance for these best practices through its lead management platform.

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## OPTIMIZATION

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The process by which an advertiser makes adjustments to a campaign, with the aim of improving the Return on Investment (ROI). During optimization, advertisers reallocate spend towards better performing publishers while eliminating poorly performing publishers from the media plan. Criteria for optimization can include number of leads generated by media venue or the percentage of leads that convert successfully. Transparency is the key to successful optimization as it allows advertisers to know which publisher performed well and which didn't.

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## LANDING PAGE

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Page on a web site where a visitor is taken after clicking on an ad. While this could be just the home page on the advertiser's web site, it works best when it is a page designed to explain more about the service or product mentioned in the initial advertisement.

*Tip: Be cautious of using banner- landing page campaigns for lead generation:* Many advertisers use a combination of banners and landing pages for online lead generation. This method is usually not cost-effective. The average industry banner click through rate is 0.10%. This means that 99.9% of the audience does not click-through to a landing page - making online banner-landing page campaigns an ineffective method for lead generation. Banner-landing page combinations are best used for branding campaigns.

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## ADUNIT X

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Lead generation banner ad unit that allows users to submit information to advertisers without having to click through to a landing page, also known as “one-click banner ads.” Elimination of click-through greatly improves conversion rates for advertisers. Because AdUnit X banner ad units are available in standard IAB sizes, they provide publishers with an easy way to convert CPM inventory into high-demand CPL inventory. Developed by Pontiflex.



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## OPT-IN, MULT OPT-IN & DOUBLE OPT-IN

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Opt-in: an explicit agreement by a user giving the advertiser permission to send emails with more information, typically by checking a checkbox.

Multi-step Opt-in: In the first step, the user selects an advertiser offer by checking a check box. In subsequent steps, the user has to give the advertiser explicit permission again to contact her/him via more checkboxes or by entering personal information such as an email address.

Double opt-in: A two step opt-in process. In a double opt-in process, users first grant advertisers the permission to send them emails. In the second step, users have to confirm their intent again by responding to a confirmation message typically sent via email. This method significantly reduces response rates and volume, but can boost lead quality.

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## CRM

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CRM (customer relationship management) is an industry term for systems or methodologies used to manage leads in an organized way. Lead generation advertisers often integrate their CRM system with the front-end of lead campaigns to enable a timely follow-up of leads.

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## **EMAIL SERVICES PROVIDER (ESP)**

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A company providing email services by email marketing or email management and delivery on behalf of an advertiser. A good ESP should check all email addresses to make sure that they are obtained through a double-opt-in or confirmed opt-in method of subscribing to a mail list.

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## **LEAD SCORING**

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Processes or software designed to rank the value of leads on a relative basis. Lead scoring associates a score to each lead based upon a set of weighted criteria. Leads with a high score may be sent to an email list for immediate follow-up, while leads with a medium or low score might be added to a newsletter database for future development.

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## **LEAD NURTURING**

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Lead nurturing refers to the activities that occur after a lead has been delivered to an advertiser, and is a key ingredient in the success of any online lead generation campaign. The key to successful lead nurturing is to have a clear objective for the leads collected and to create a discrete set of practices and plans to achieve that objective. A good starting point is to create an email newsletter and use the leads collected to seed the list for the newsletter. More advanced techniques could involve email append or direct outreach efforts by email or phone.

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## **AUTO-RESPONDER**

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An auto-responder is an email sent real-time to a user that has signed up for an advertiser offer. Auto-responders give advertisers an additional touch point to give consumers more information about their business or product at the moment of interest to help boost conversion rates.

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## **TAKE-RATE**

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Take-rate is the percentage of users that opt-in to an online lead generation offer. Take-rate is the most common metric used for gauging the success of a lead generation campaign. Take-rate is also referred to as select-rate or response rate.

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## **SCRUB RATE**

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Scrub rates refer to the percentage of leads that are rejected by advertiser – i.e. duplicate leads, or leads that do not have a valid name, email address, etc. Maximum scrub rates specify the outer limit of the scrub rate for a campaign, while hard scrub rates refer to a pre-defined scrub rate that is agreed upon by both the advertiser and publisher prior to the start of a campaign.

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## CAP

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Caps, specified daily, weekly, or monthly, refer to the maximum number of leads that can be delivered by a publisher to an advertiser for a particular offer in a particular time period.

### About Pontiflex

Pontiflex is the first open and transparent cost per lead (CPL) market for publishers, advertisers and technology providers. Advertisers connect to brand-conscious consumers through Pontiflex and pay only for **specific customer leads**, not just clicks or impressions that **might** never convert.

Pontiflex has redefined consumer lead generation marketing, the fastest growing segment in online advertising. The company makes advertising accountable by eliminating the traditional guesswork inherent in CPM and CPC campaigns, and delivering on advertiser demand for performance based pricing models.

Hundreds of advertisers use Pontiflex to generate qualified leads for their newsletters, direct marketing campaigns, member loyalty programs and vendor-specific sales efforts.

If you wish to find out more information, please email us at [sales@pontiflex.com](mailto:sales@pontiflex.com) or call (800) 708-9290.