



How to Make Lead Generation & Database Management Work in CEE

LINEA DIRECTA COMMUNICATIONS. THE DIRECT LINE TO SUCCESS IN CENTRAL AND EASTERN EUROPE



Your Direct Line to Customers in Central & Eastern Europe

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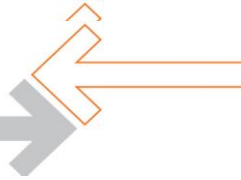
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Content

- Lead Generation as Core Competency
- Database Marketing - the Art of Making a Difference
- Opportunities & Challenges in CEE
- Short Case Studies B2B and B2C
- The Power of Direct





Lead Generation – At the Core of Marketing

The famous Management Guru Peter Drucker said
“The purpose of a business is to create and keep a customer.”

“If you really find an **unmet need** and do a good job of providing a solution, you don't have to do much selling,” says Professor Kotler.

Leads = Unmet Needs





Lead Generation – What Is a Lead, Anyway?

Definitions of a Lead

- Knowledge of an unfulfilled, profitable customer need
- Contact for a sale
- Opportunity for business
- Prospect
- New business
- Hot customer target
-

Where to find leads?

- Looking for unmet customer needs
- What are you doing to find new business?





Leads Are a REAL Business in Itself



Is this the right place to look for leads?

- Google profits of \$1 billion dollars per quarter
- Who is looking there? People with a need = Leads
- That's just one channel





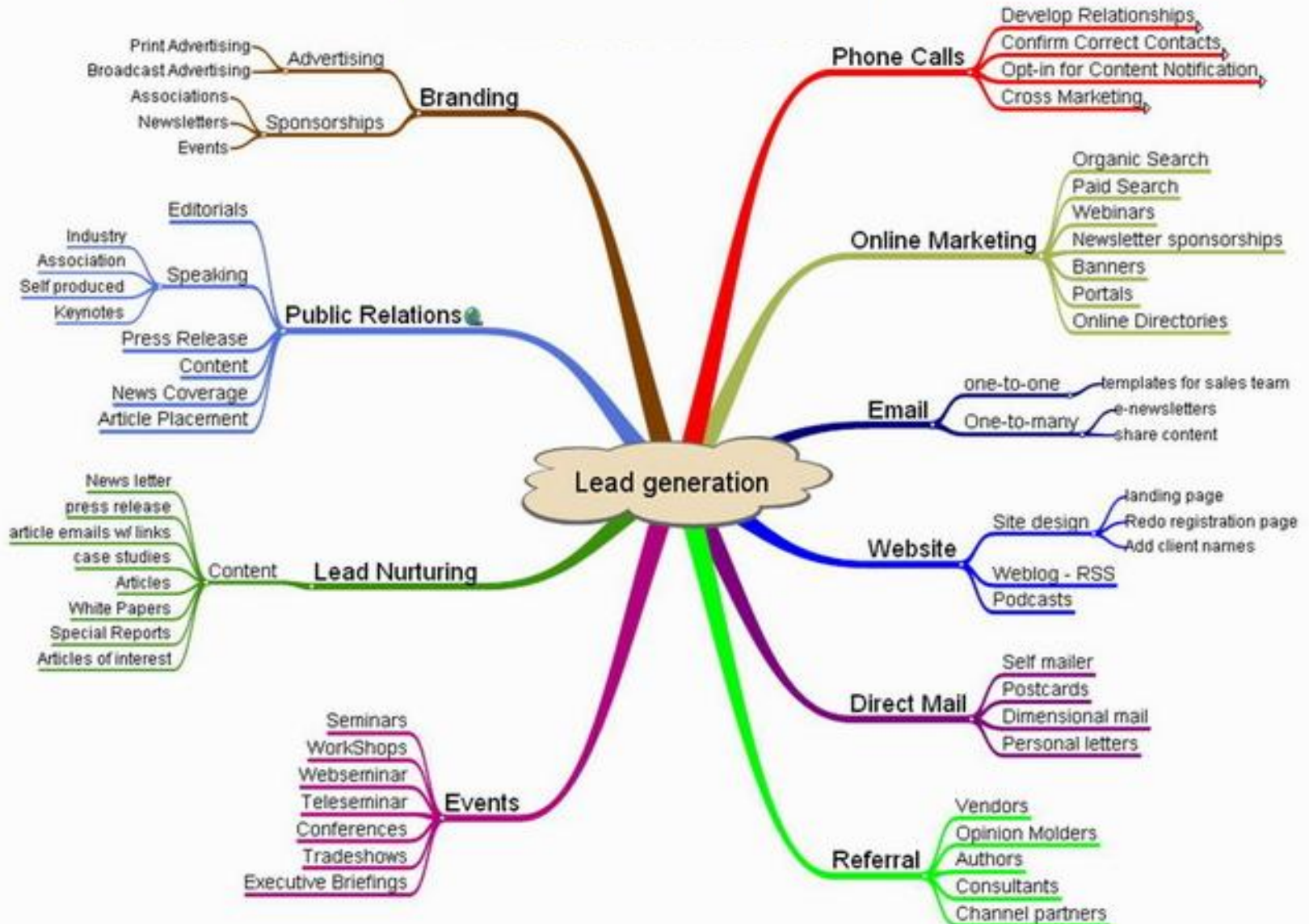
The Problem With Online Leads



“On the Internet, nobody knows you’re a dog.”



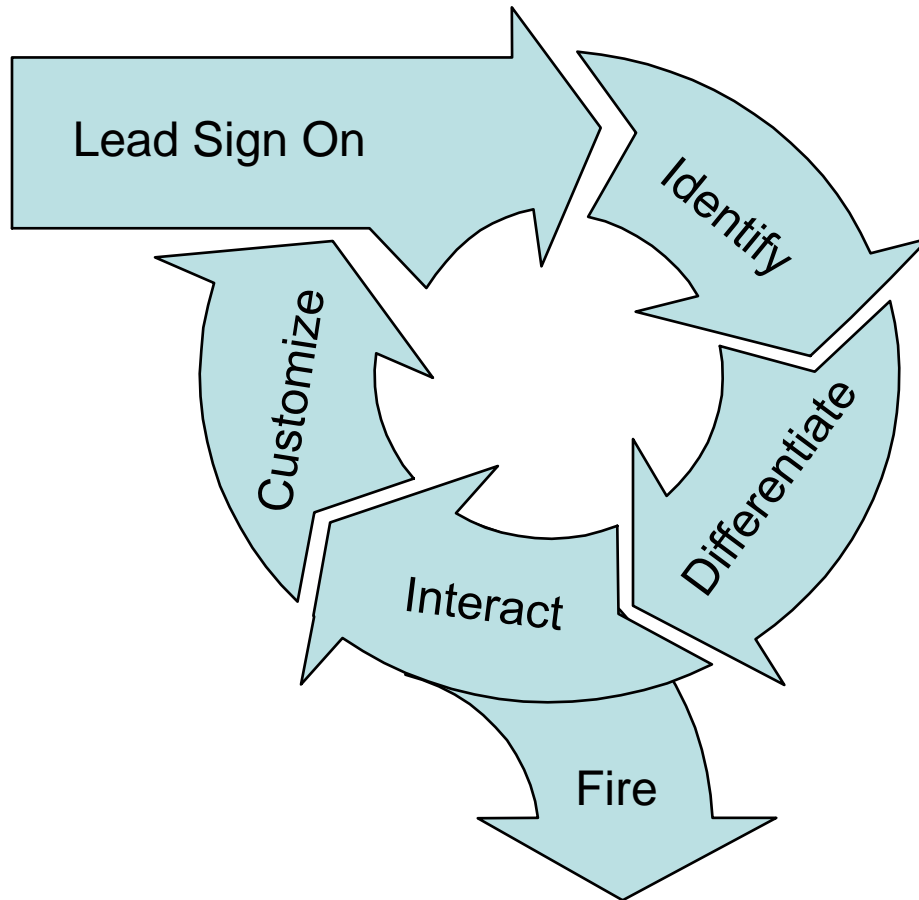
Standing On Many Legs Creates Stable Lead Flow





Managing Your Customer's Life Cycle

Leads and customers have a life cycle that goes through stages



Leads can “grow up” and “die”

- Sign up a new lead
- Identify the customer by name, address & sale
- Differentiate between customers
- Interact through dialogue OR
- Fire unprofitable customers
- Customize the offer to better serve buyer needs





Identify: Acquisition Costs for Different Leads

	Undifferentiated Market	All Prospects	A Good Target	An Optimal Target
Automobiles	\$1000+	\$325	\$150	\$99
Credit Cards	\$300+	\$182	\$88	\$49
Packaged Goods	\$80+	\$63	\$29	\$8
PCs	\$500+	\$366	\$155	\$83
Private Banking	\$50,000+	\$12,100	\$6,300	\$3,500
Software Services	\$1000+	\$644	\$357	\$216
Utilities	\$800+	\$417	\$132	\$75

Lead ≠ Lead

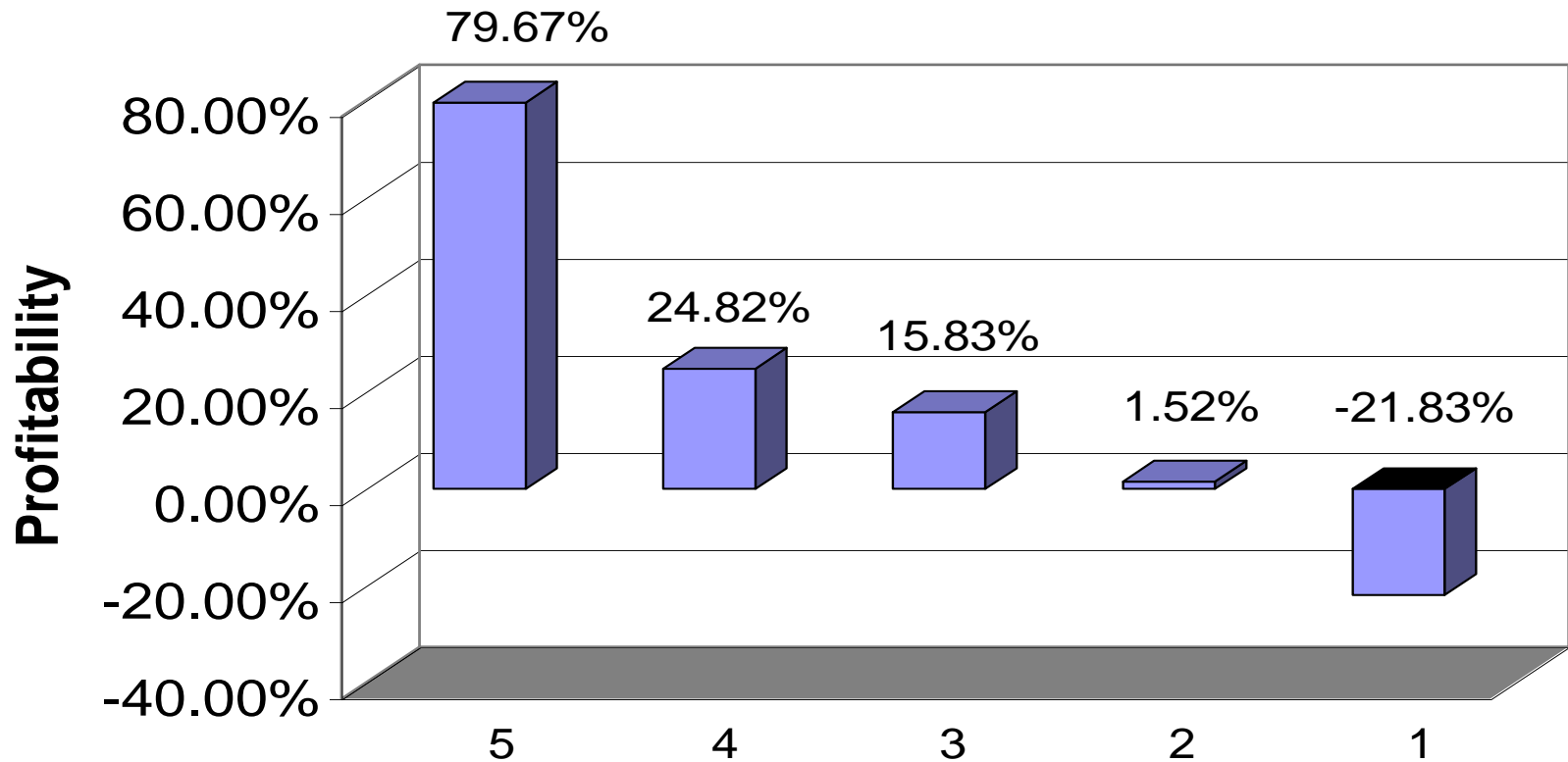




Differentiate: Segment Customers by Profitability

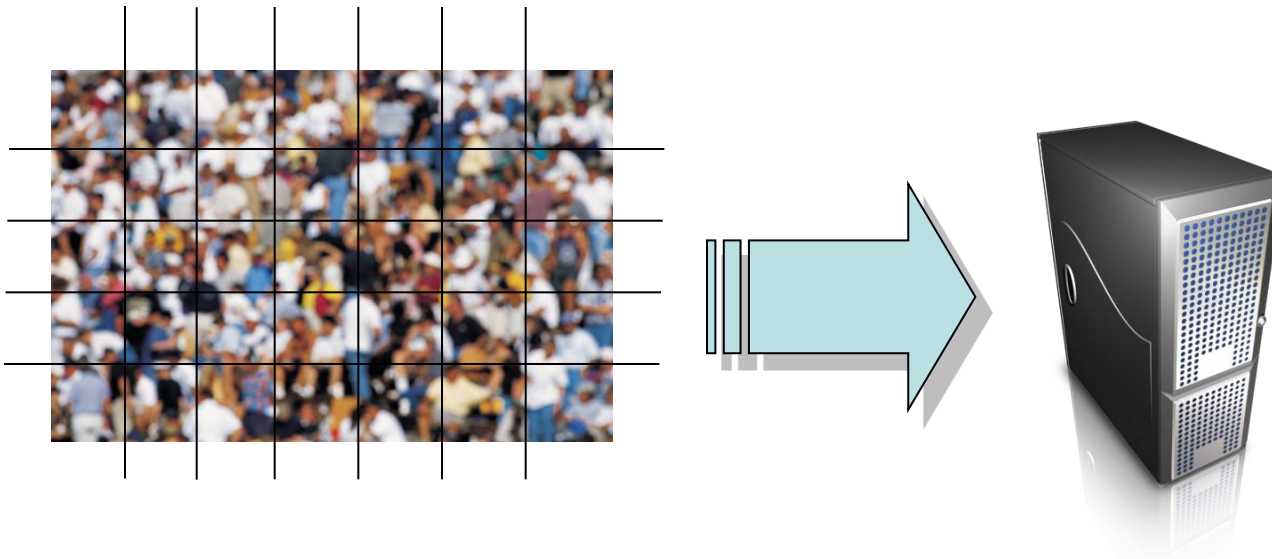
80 : 20 : 30 Rule – for profit's sake

Profit by Customer Segment



Database Marketing – The Art of Making a Difference

- How to segment leads and customers?
 - Segmentation, Targeting & Positioning
 - What do you need to know to segment them?



Database marketing provides you with the right leads, customers & needs and the know-how to act on that information!

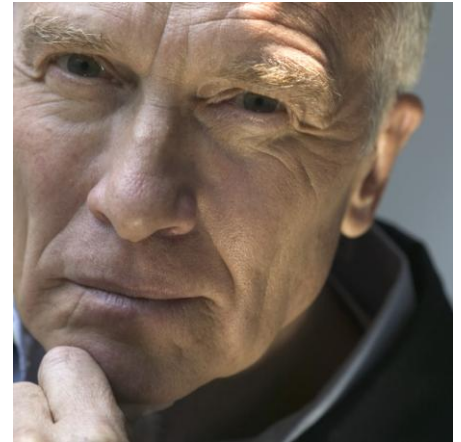




Interact: Giving Your Leads a Chance

Customer's Situation:

- „I don't know you.
- I don't know your firm.
- I don't know your product.
- I don't know, what your firm stands for.
- I don't know customers of your firm.
- I don't know the history of your firm.
- I don't know the reputation of your firm.
- And – what was it you wanted to sell me?“



Point: Sales starts sales event – it is an ongoing conversation.

Consequently: Lead and customer relationship management.





Database Marketing – The Art of Making a Difference

- What to do with your customer segments?
 - Talk with them
 - Talk with them often
 - Talk with them about what they are interested
 - Ask them what they like and sell it to them; ask again
 - Surprise them with great service and make friends with them



Create Valuable Customer Dialogues and Relationships





Customize: Building a Rich Customer Database

- Find out why each segment or customer bought your product
- Find out their age, lifestyle, health, children, education, preferences, and all that you need to understand their unmet needs and how to provide them with a great offer
- Use this information to differentiate the dialogue according to what you know about them through your database
- THEN, give each customer segment what they want at the price at which they will buy

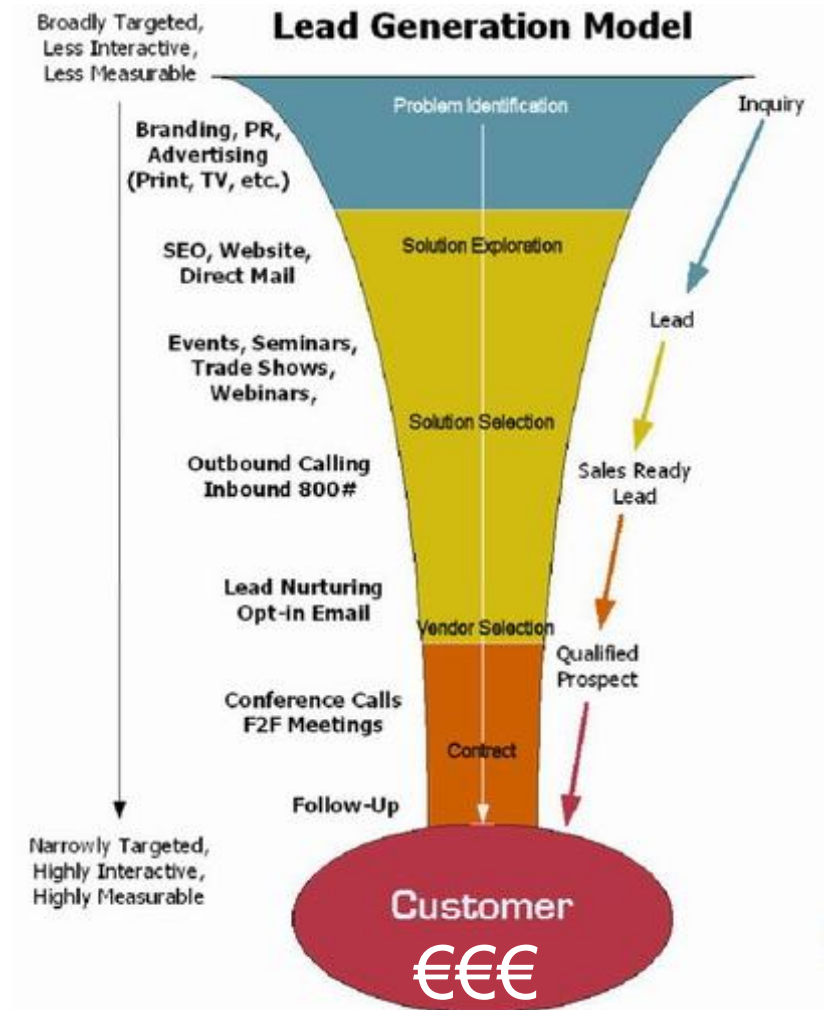


Lead Generation – Build Your Own Profit Engine

Lead Generation is a systematic and continuous process to

- find leads
- identify contacts
- differentiate customers
- interact with them &
- customize the offer

in order to convert them into sales and \$\$ and €€€





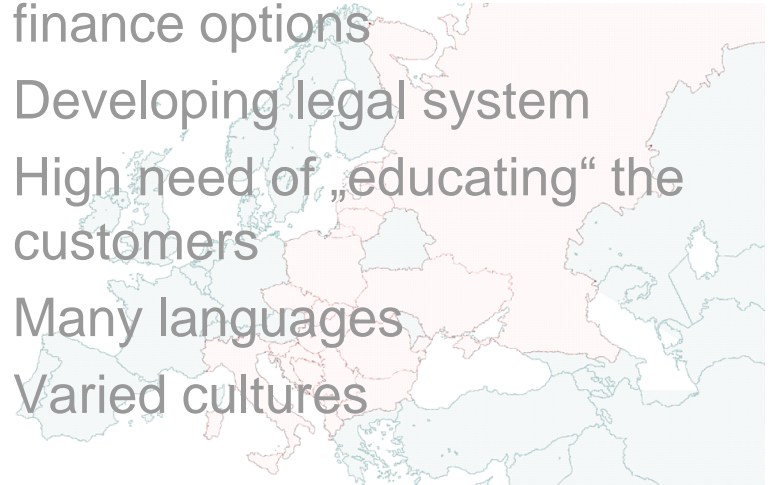
Opportunities & Challenges in CEE Database Marketing

OPPORTUNITIES

- Many unfilled needs
- High growth
- Leap-frog small retail structures
- More value on relationships
- Start small and grow big
- Change is part of life
- No entrenched competition
- New possibilities, ideas & approaches
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CHALLENGES

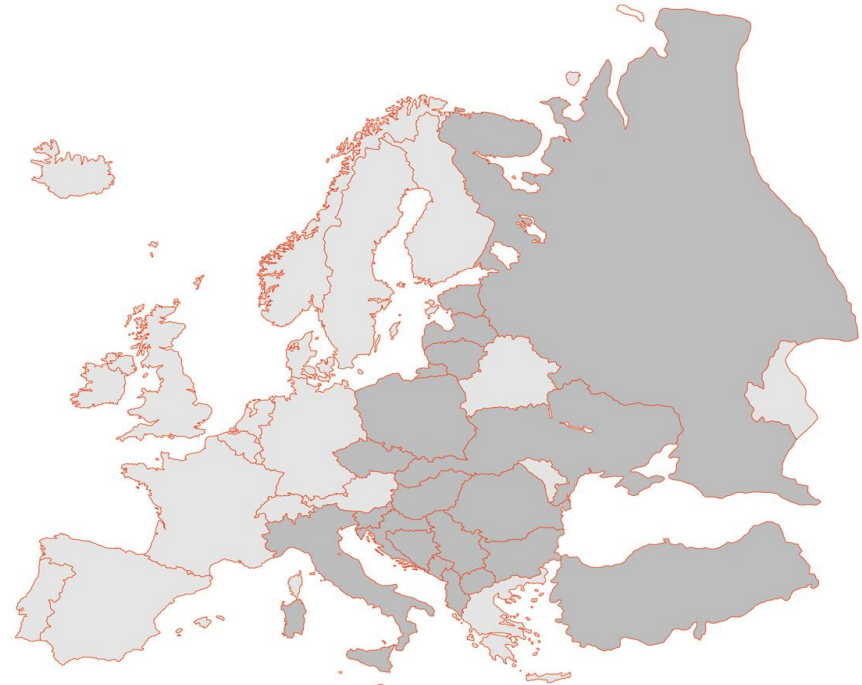
- Lower absolute income
- Limited data availability
- Lack of targeting know-how
- Logistics infrastructure
- Low maturity in personal finance options
- Developing legal system
- High need of „educating“ the customers
- Many languages
- Varied cultures





Many Languages, Regulations and Cultures

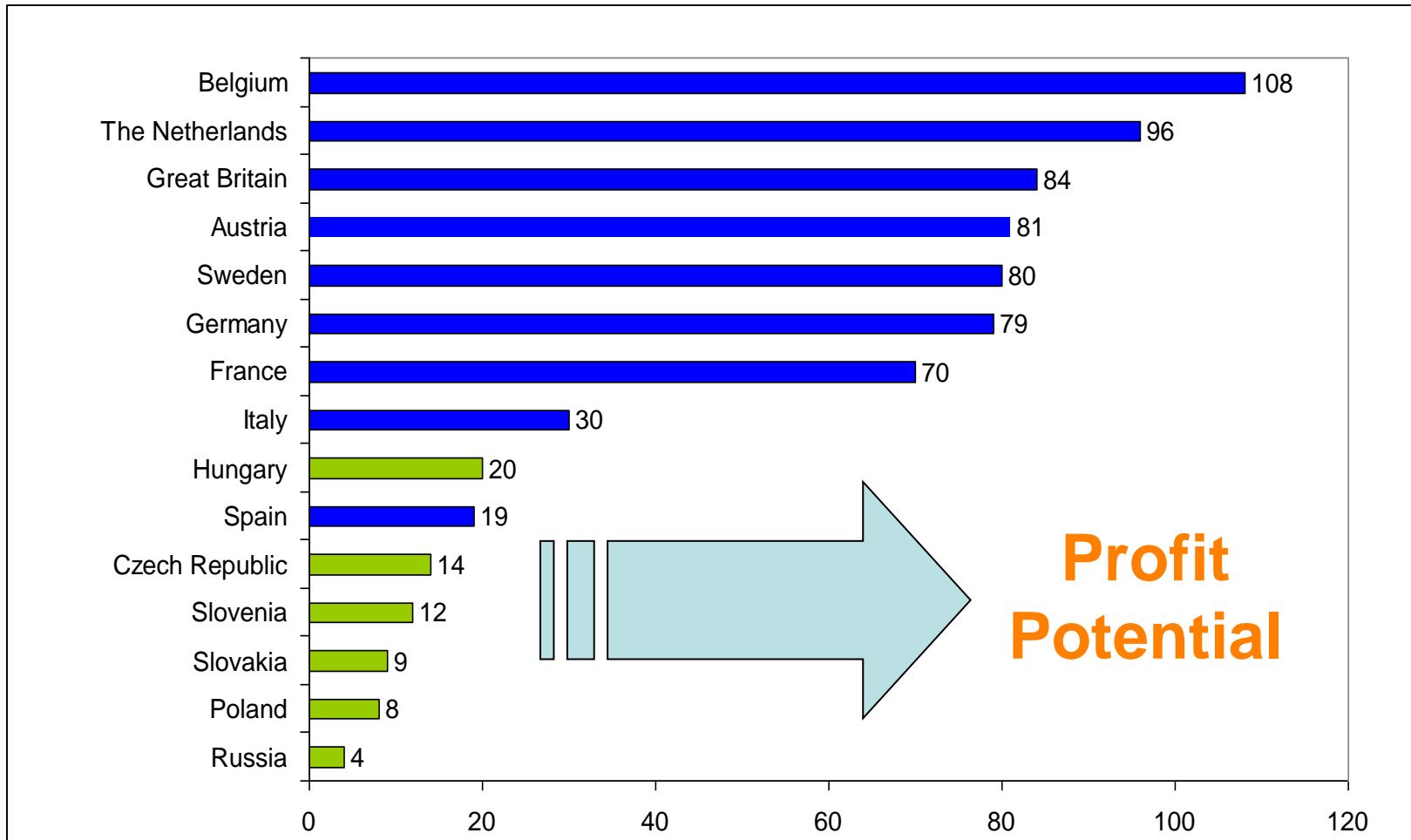
- Respect for individuals and differences across countries & cultures
- Communicating, communicating, communicating
- Clear processes and counter checks for ensuring high quality
- Change management – open for sometimes „painful“ changes – and change always starts with oneself





The Potential for Growth is Enormous

Addressed Direct Mails per Capita



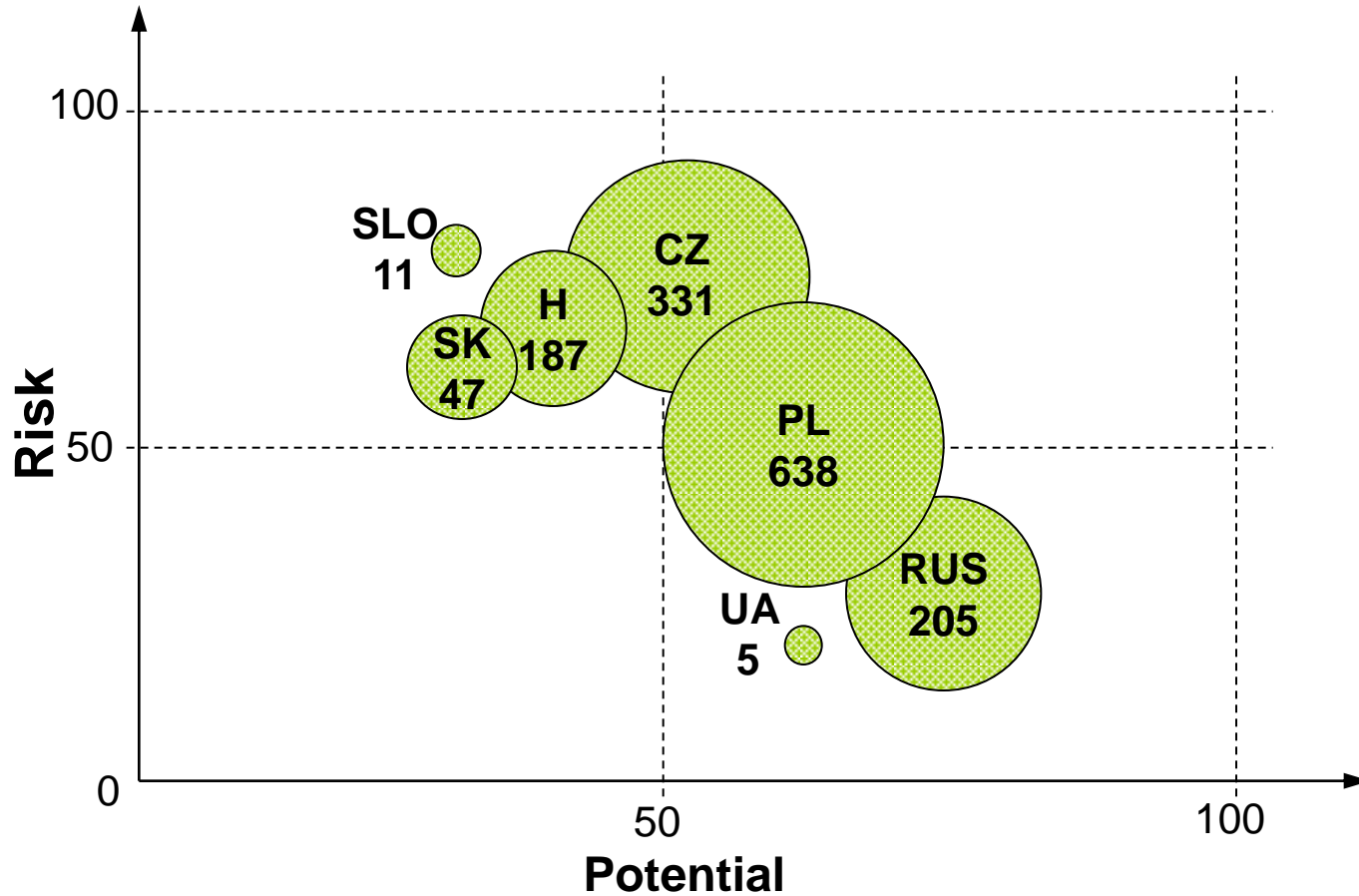
Source: FEDMA, 2003

Profit Potential





Country Affinity for Direct Marketing in Eastern Europe (in Mio. EUR)



Risk: 0 – high risk; 100 – low risk
Potential: 0 – low potential; 100 - high potential





Case Study B2B

- Client:
 - Global leader in IT tools and software
- Situation:
 - Need for continuous deal flow of a minimum of € 100,000 per week per country in 12+ countries in CEE
- Objective:
 - Generate qualitative leads with detailed profiles with telephone marketing based on B2B database
- Results
 - Linea Directa Communications runs database marketing campaigns that successfully “feeds” the pipeline for ongoing sales of computer tools and technology solutions





Case Study B2C

- **Client:**
 - European publisher of educational material delivering quality learning material in 18 countries
- **Situation:**
 - Need for telephone marketing in 5 countries
 - Need for customer care in 4 CEE countries
- **Objective:**
 - Deliver profitable leads on a “Cost per Sales” results basis
 - Provide top inbound customer care in 4 languages
- **Results**
 - Linea Directa Communications implements the telephone marketing campaign and delivers profitable sales
 - Provision of high quality customer care and happy customers



The Power of Direct Is the Power to Do It!

- Each dollar spent on direct / database marketing yields, on average, a return on investment of \$11.65.
- By comparison, each dollar spent on non-DM advertising yields an ROI of \$5.29. *)
- The best of it: You can start with direct marketing today.
- **What is your choice?**



contact@linea-directa.eu



Client List





Extra Slide: 4 Stages of Database Marketing

INDICATOR	Stage I	Stage II	Stage III	Stage IV
<i>Marketplace Knowledge</i>	Questioning	Defining	Exploring	Exploiting
<i>Customer Dialogue</i>	Rudimentary, one-way	Two-way, on-going	Relationship nurturing	Intimate
<i>Communications Goal</i>	Contact	Touching	Learning	Insight
<i>Communications Focus</i>	Contact Management	Organization Management	Relationship Management	Opportunity Management
<i>Database Primary Function</i>	Contact facilitation, record keeping	Audience segmentation, dialogue	Management of Marketing & Communication Process	Optimization of business relationship
<i>Users</i>	Single Function or Department	Multiple/Related Functions or Departments	Multiple/ Un-related Functions or Departments	Enterprise-wide
<i>Measurement</i>	Cost Per Contact	Cost of Customer Acquisition; Life Time Value	Customer's Relevant Period Value	Enterprise Performance
<i>Database Design</i>	Flat File	Relational Database	Dynamic Database	Expert System





Extra Slide: The Nine DBM Mistakes

1. Lack of a strategy
2. Focus on Price
3. Poor Economic Plan
4. Too Big and Delayed
5. Failure to link to the Web
6. Models vs relationships
7. Treating all customers alike
8. Failure to change organization & compensation
9. Lack of Leadership

PLUS:

Not using an experienced partner

