

What is Lead Generation?

The explanation of what lead generation is isn't a complicated one, but first, you need to understand what leads are. When a company or salesperson obtains contact information for an individual in regards to a specific product or service, that is called a lead, most likely because it could 'lead' to a sale. Leads provide the initial introduction between a seller and a buyer, and therefore are a vital part of any business. If you don't have leads, you don't have an audience, and without an audience to market to, your business will fall flat.

A "cold" lead is one you've had no contact with previously, and are typically the most difficult to turn into bona-fide buyers. The reason for this is that they don't know you, haven't had any interaction with you, and therefore don't trust you. Turning a cold lead into a warm lead is generally accomplished simply by building up a relationship with the lead, whether by phone calls, emails, print advertisements, or personal one-on-one contact. Many times, a combination of all of these are needed.

A "warm" lead is someone who has at least some familiarity with you, knows what you do and what you're about. If you are confident and convicted regarding your product, these leads are the easiest to turn into sales. An initial relationship is already in place, so there is already a platform onto which you can build trust.

So now that you know what leads are, let's answer the question, "What is lead generation?"

Lead generation (or lead gen) consists of the action a marketer will take in order to obtain the contact information from a group of individuals. There are several techniques for lead gen including squeeze pages, surveys, and/or purchasing phone number or email lists in a specific niche.

Once the contact information, in the form of a telephone number, email address or mailing address is obtained, the marketer can then proceed to contact the individual to sell his or her product or service. Of course, it is always smart to err on the side of caution, and market to those who have asked to be marketed to.

Warm leads are much easier to sell to than cold leads, but different techniques can be used to market to each segment in the most profitable manner possible. And of course, the higher the price of the product or service, the more difficult the sale will be to either type of lead.

Lead generation is the most important task a business can perform, because leads equal sales!