

The Ultimate Guide to Demand Generation for Startups

How to Successfully Scale Demand Generation
and Generate Leads for your Business



Seeking Perfection Marketing



Introduction

It's 2022 and the world has imploded. But even before that happened the world had gone mad – consumption mad. Fed by an eternal spring of content we binged and we consumed.

And for the most part this was, and still is, a wonderful feeling. Thinking back to a time when an encyclopaedia – or if you were lucky, Microsoft Encarta – was the quickest way to find answers it is truly uplifting how readily available information is nowadays.

But with this content came the noise. Early adopters soon lost their advantage as more and more people flocked to the web and social media channels, and before long we found ourselves struggling to keep up with all the information the internet could throw at us.

For company owners and business leaders the modern world throws a double edged sword. On one hand, it has never been easier to identify and reach an audience. An audience that you have clearly defined as being your target customers.

And on the other, there's the clutter. The deluge of information that constantly flows down our news feeds. How can a company of any kind cut through the noise and make an impression on its target audience that results in inbound sales leads?

The answer to that is not straightforward. But like many things in life, with the correct approach, success can be achieved. In this report we uncover the building blocks to creating a successful demand generation engine, and look at how some of the world's leading brands keep those sales leads coming in.

Investment is needed – time and money – but for those who are willing to commit to the process the rewards are there to be had, and the long term success of having a solid demand generation function will pay dividends in the end.

The Definition of Demand Generation

Let's start with the basics. What do we mean by Demand Generation?

Google 'demand generation definition' and you will find pages of different answers all trying to answer this question. In truth, it is different things to different people – and unlike common phrases like 'just Google it', there is no universal meaning for the term.

The best we can do is share with you our definition of demand generation that is used as the anchor point for the remainder of this report. For that we refer to Wordstream who put it so nicely it didn't make sense to try to redefine it...

“At its simplest, demand generation can be defined as – surprise, surprise – the generation of demand for a business' products or services.

Some businesses are indiscriminate when it comes to leads and what qualifies a prospect as a lead. Someone who merely visits a website, for example, might be considered a lead to some companies.

However, demand generation identifies potential prospects based on their initial actions and takes them through a (oftentimes lengthy) nurturing process to provide sales teams with much higher quality, genuinely qualified leads. This results in better conversations between sales reps and prospects, and – of course – higher conversion rates and more sales.”

The main point to emphasise is the focus on quality and relevance over quantity. In Wordstream's eyes (and in ours) all leads are not created equal. Demand generation for B2B companies who are serious about providing legitimately interested, pre-qualified leads to their sales teams should take a leaf from Wordstream's book.

For a marketing department to truly provide value to the organisation they need to produce leads that hit the mark in terms of:

- 1. The type of *company* the lead is from**
Does it match with what you have defined as being your ideal customer type?
- 2. The role of the *contact* associated with the lead**
Right department? Decision maker or decision influencer?

In addition to this there needs to be an understanding of which stage of the buying process the prospect is at. Fail to do that and you risk losing credibility with the sales team. To do it well you need a process. Read on...

Step 1: Defining Your Ideal Customer Profile (ICP)

Crawl. Walk. Run. Before you jump into the fun and creative parts of digital marketing you need to put some foundations in place.

You'll need your friends in sales operations and product marketing for this one. With them, sit down and whiteboard ***what your perfect customer looks like***. Not 'has a million pounds to spend on X' but get to the fundamentals of what problem your product or service solves, and for whom.

We would all love to sell product far and wide, but the reality of it is that products with a clearly defined use case get better uptake. Identify your product niche and play to it – both with how your product or service is designed, and in your marketing.

Questions to consider when defining your ICP:

- **What problem are they looking to solve?**
(so I know that my solution is relevant)
- **What industry are they in?**
(so I can make sure my company's experience is relevant)
- **What annual turnover do they have?**
(so I know that they have sufficient budget to invest in my product)
- **How many employees do they have?**
(so I know how likely they are to be facing the challenges my solution solves)
- **What is the size of their [X] department?**
(so I know how likely there is to be somebody there to manage this already)
- **Are they a public or private company?**
(so I understand how growth oriented they are)
- **If public, what stage are they at?**
(so I know how aggressive their growth plans are)

Even at this early stage you are starting to weed out the types of company that are unlikely to be interested in your services, and who you would otherwise spend a lot of time and energy chasing down only to lose the sale to a more relevant competitor in the end.



Ideal Customer Profile (example)

Once you've gone through the process of defining your ICP you should end up with a statement that looks like this:

My ideal customer is in the fashion business with an annual turnover of \$1M - \$5M, has 50-100 employees and a marketing department of less than 5.

They are a private company who came into being fifteen years ago, and have recently received funding to expand their operations into mainland Europe.

Their main challenge, as far as our product offering is concerned, is being able to join siloes of disparate marketing data to create a holistic view of the customer journey.

Step 2: Creating a List of Target Accounts

Now you know which type of companies you are looking to attract you can set about creating the specific list of companies that you will focus your marketing on.

Your sales team are likely to already have list of target accounts (and call them key accounts, priority accounts, strategic accounts or similar) so use this as your starting point.

The size of the list is almost irrelevant. If you are a small company selling high value goods you are likely to only need a handful of sales to be profitable. In this situation a target list of a couple of hundred companies might suffice. For larger organisations with global coverage, multi-layered solutions and overlapping sales teams a more comprehensive list is more likely to be needed.

The reason the list size is 'almost irrelevant' is because certain marketing platforms have a minimum audience size required before campaigns can be run, and if you don't meet that threshold you won't be able to initiate your campaigns.

So set to work creating the list of specific companies that you will make the subject of all your marketing efforts from hereon in.

Step 3: Defining Audience Personas

So you know which companies you are going to focus your marketing on. Congratulations! This is a big step, and one that a lot of organisations fail to do properly.

Now to layer your audience personas on top. By that we mean it's time to identify the types of people within those organisations that you're going to aim your marketing at, and what makes them tick.

This can be as simple as listing the job titles of the people that you want your marketing campaigns to resonate with, or it can be a detailed analysis of the common traits and behaviours of your various stakeholders. For instance, you may choose to look beyond job related qualities such as department and seniority and try to understand their likely behaviours and motivations in order to better understand how to approach them with sales and marketing outreach.

By the end of this process of defining your ICP, creating a list of target accounts and identifying the relevant personas you will have a solid idea of who you are going to target your marketing efforts toward, defined in the following way and that will form the basis of your audience selection when it comes to activating demand generation campaigns:

Factors to consider when creating your audience personas:

- Department they work in
- Level of seniority/years of experience
- Likely job title
- End user or decision maker
- Career aspirations
- Biggest workplace challenges

The top three allow us to quickly identify the types of people we wish to influence so we can target the right people with our marketing. The bottom three give us a greater depth of understanding about who we are seeking to influence so we can tailor the messaging, content and follow-up activities accordingly and in a way that resonates strongly with the audience.

These job titles at these specific companies

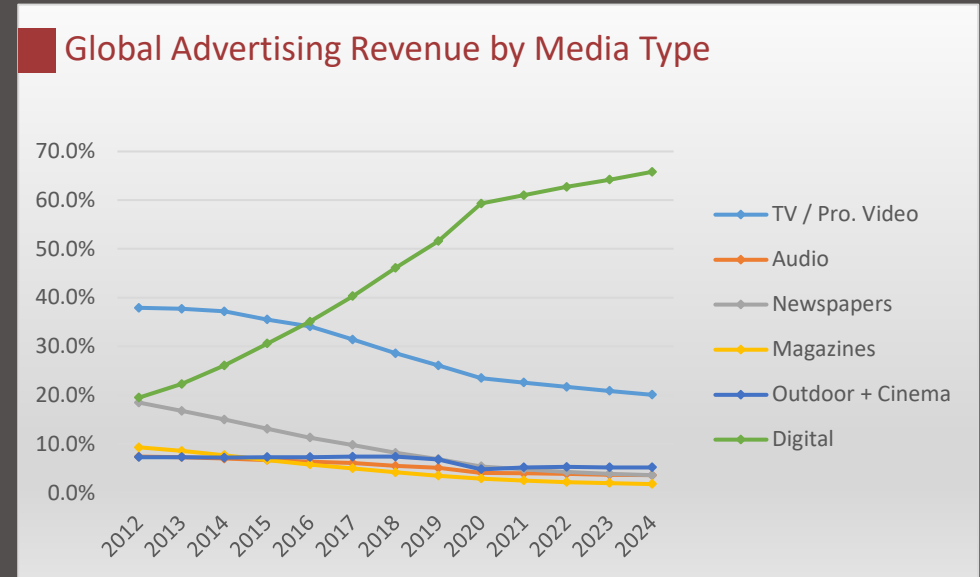


The Media Landscape

With the foundations firmly in place and a solid understanding of who you are going to target your marketing at, it's time to start preparing your campaigns.

But before we do that let's take a look at the ad spend trends and predictions, as this will help us understand where our audience is likely to be. Perhaps unsurprisingly, digital has an enormous portion of ad spend globally according to this research report from GroupM. Of a \$591 billion global advertising industry approximately 60% is spent on digital advertising. And it's no surprise, because advertisers follow users, and users have turned to digital forms of media in droves over the past decade and a half.

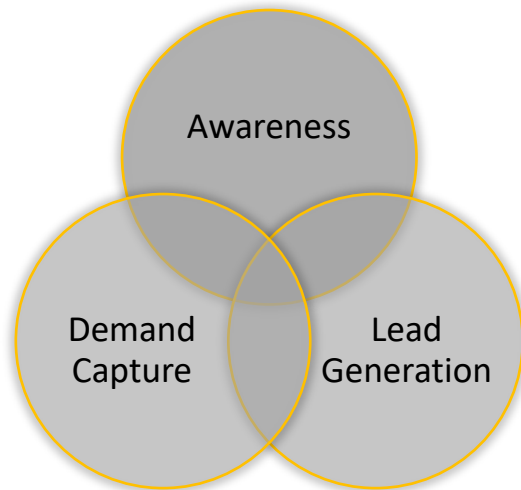
But it's not sheer volume of users that makes this interesting (though it is a significant factor), it's also the targeting capabilities that digital platforms offer that have created the shift. Previously, knowing your ICP and your audience personas would have given you an advantage only directionally. Now, that information can be fed directly into the digital ad platforms and used to create very tight audiences – meaning your marketing budget is only spent on the exact prospects that you have defined as being relevant. And that is a game changer.



Source: GroupM Global End-of-Year Forecast, December 2020

The Holy Trinity of Demand Generation

Even at the most basic level, when it comes to activating campaigns you should be thinking about demand generation as a multi-dimensional being.



“The whole is greater than the sum of its parts”. He almost certainly wasn’t talking about digital marketing when he said it, but Aristotle’s phrase couldn’t be more relevant in this context. The digital world provides opportunities for forward thinking brands to capitalise in three key areas that we define as:

1. Awareness

Creating the initial curiosity and interest required to prompt further action and facilitate interactions.

2. Demand Capture

Capitalising on existing demand within the category and taking a share of it.

3. Lead Generation

Using hyper-targeted campaigns to elicit a qualified response (a lead) from the target audience.

In an ideal world you would work all three circles of the Venn in concert. The awareness registers your brand in the sub conscious and paves the way for greater responsiveness to future marketing messages. Demand capture allows you to show up in front of people who are already interested in what you offer but don’t know of your existence, and lead generation allows you to actively seek out your ideal audience and generate a response.

While any single channel can be effective on its own it is the orchestration of these pillars, along with the other components of your marketing and sales operations, that lead to long term success. We explore each in more detail on the following pages.

Awareness

Creating the initial curiosity and interest required to prompt further action and facilitate interactions.

That's a bit of a mouthful – let's break it down.

Imagine you work for an early stage startup. You have a solid product and proposition, a handpicked team of the finest talent, and the backing of a number of investors who have absolute faith in your ability to execute. The stage is set.

But your brand is unknown to your target audience, and that's a challenge. Sure, your sales team will be out pounding the pavements and drumming up interest, but what can you as a marketing colleague do to soften the ground and make their job easier? Enter the awareness generation activity.

You don't have to rent the billboard in Piccadilly Circus to make your brand known to your target audience. In this era of digital communication there are extremely cost-effective ways to reach your target audience at scale. These could include...

- Harnessing the Google Display Network (GDN) to serve web banners on sites that your audience are likely to visit
- Using the world's 2nd largest search engine – YouTube – to serve ads in static and video format as people watch relevant videos
- Capitalising on the extensive targeting capabilities of social media platforms such as LinkedIn, Facebook and Instagram to serve ads to a tightly defined set of users as they while away the hours on these platforms

The crucial thing here is to plant a seed. The 'rule of 7' suggests that a prospect has to see your brand seven times before it even registers in the subconscious. This part is about creating a base level of awareness that can be built on through other marketing activity and sales outreach.

Demand Capture

Capitalising on existing demand within the category and taking a share of it.

Demand capture shares some similarities with Awareness in that you are again trying to create a point of engagement with a prospect to whom your brand is not already known, or has been forgotten about.

The difference here is that you are using existing signals from your target audience that let you know they are interested in the kind of thing you offer. For instance, somebody who is searching on Google for the type of product or service that you offer.

Getting your company name in front of that person and creating a dialogue with them could be the difference between making a sale and losing out to a competitor.

Although there are several ways to capitalise on existing demand the main one is search engine marketing, which can be broken down as follows...

- **Paid Search**
Serving ads for your product to people as they search on Google and other search engines
- **Organic Search**
Having pages that rank highly for high intent terms relating to your product e.g. 'best email marketing software'

What is probably more important than capturing the initial demand is what you do thereafter. In reality prospects don't become customers after one interaction. You should have robust follow-up processes in place to make sure that any new contact captured is nurtured with useful and engaging content until the time that they give a signal that they might be ready to start exploring the product you have to offer with a little more intent.

Lead Generation

Using hyper-targeted campaigns to elicit a qualified response (a lead) from the target audience.

For many prospects, the journey starts here. With Demand Capture there is already intent; the prospect is actively searching for a solution. With lead generation you are looking to engage with an audience who are not necessarily looking for a solution right now and create a relationship with them over the mid to long term.

Because guess what? Companies that provide value to their prospects and nurture them well before they are even thinking about making a purchase stand a better chance of winning when they do eventually start looking for a solution.

So the objective here is to create multiple points of engagement with the relevant stakeholders on your target account list, and to provide legitimate value along the way.

We all find blogs, podcasts and webinars that we subscribe to when looking to solve a problem. And when the time comes to make a purchase it is often the companies that we have come to regard as an authoritative and trustworthy source that are included in the pitch.

How do you do this? There is no one answer, but having an 'exchange' of some sort will likely be necessary to get the prospects' contact details and opt-in initially in order for the dialogue to begin. This could be in the form of a whitepaper that sits behind a response form, or a webinar for which attendees have to register. Distributing that content to your target account list with highly targeted campaigns will result in leads that are relevant and will maximise your marketing spend.

Once the initial exchange has taken place the prospects can be nurtured further by email, retargeting campaigns and sales teams.

Awareness + Capture + Lead Generation in Action

One of the UK's Top 50 Fastest Growing Startups Uses a Layered Approach to Generating Demand

This London based scale-up uses a blend of targeted awareness through the Google Display Network, YouTube, LinkedIn Ads and Facebook Ads to create the initial brand awareness amongst its prospects.

Layered on top of the brand awareness is a sustained campaign of lead generation, where gated content is offered in exchange for contact details. Not only does providing the gated content allow for new database contacts to be added, but it also creates a valuable first interaction with the prospect as useful information is being shared that will help that prospect solve a problem. This is executed via highly targeted campaigns and retargeting campaigns on LinkedIn, Facebook and Instagram.

Finally, demand capture is also in place in the form of Google search ads to win mindshare amongst the warmer prospects who are actively looking for a solution.

It takes a village to achieve the kind of success that this scale-up has experienced, and recognition should be given to the other vital components of the marketing team, and to the sales team. However, the marketing investment has produced a high volume of marketing qualified leads that are nurtured by the sales team – many of which have converted to opportunities. In some cases new opportunities have been created within days of a prospect having engaged with a marketing campaign.

20%
Awareness

20%
Demand
Capture

60%
Lead
Generation



Setting Up for Success

It's easy to get lost in the jungle of digital marketing platforms and to spread resources too thinly. Focus on carefully selected tactics and execute with ruthless precision to succeed.

First of all ask yourself, is my marketing team set up for success? Companies of any size can implement the approach that is being recommended, but there are certain components that you cannot succeed without. To create your own 'demand gen' department and start producing high quality qualified leads you will need at the very least:

1. Content
2. Budget
3. A lead follow-up process
4. Alignment on KPIs with the sales/revenue teams

We have seen this done by one-person marketing teams, so it is possible whatever the size of your team, but having the above components in place will be critical to success.

The emphasis then shifts to process and execution. As with so many things, there is no single part of launching a demand generation campaign that's particularly difficult or overly complex. The challenge is that there are many small steps to be co-ordinated.

Companies that succeed and get their engine humming sweetly sooner are those that focus on clean execution and have processed in place to facilitate. For instance, having shared campaign planning templates where all contributing functions can add their input (ad copy, for example) and where campaign results are captured keeps everything in one place and avoids confusion.

Getting the correct infrastructure in place at the beginning will make it easier to scale up as the company grows and as more campaigns are activated.

This is a process. You will start small and run a test here and there to see what works for you and your business. With the correct approach you will make learnings as you go and optimise along the way until you eventually have a well-oiled demand generation machine that consistently and reliably produces valuable, qualified leads for your business.





About Seeking Perfection Marketing

From 15 years working for some of the world's leading tech brands we have developed a blueprint for demand generation and a process for rolling it out for ambitious startups.

We bring the knowledge, experience and processes that your business needs to effectively harness digital channels and increase customer acquisition, retention and lifetime value.

- Digital marketing and demand gen strategy
- Advanced paid search management
- Integrated lead generation campaigns
- Paid social advertising
- Account Based Marketing

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