

HOW TO KICKSTART YOUR DEMAND GENERATION STRATEGY FOR SUCCESS: TOP OF FUNNEL GUIDE



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Synopsis:

- Benefits of demand generation marketing
- Demand generation fundamentals
- 3 steps to kickstart a TOFU demand generation campaign and track its ROI, with examples

Demand generation is a marketing approach focused on long-term growth by creating awareness and interest towards a brand and its solutions. Therefore, demand generation is crucial at the start of the sales funnel (top of funnel—TOFU) to successfully engage leads and drive interest to motivate their progression along the buyer's journey.

While the primary goal of traditional <u>lead generation</u> methods is to attract leads, demand generation is a more comprehensive strategy that covers the entirety of the buyer's journey, including post-sale campaigns to boost loyalty, retention, and therefore, client lifetime value (CLTV).

This guide is designed to help you kickstart your demand generation initiatives for the TOFU stage, with clear steps and examples to inform your strategies to attract and convert qualified leads.

The purpose and benefits of demand generation

Simply put, the end goal of demand generation is to drive revenue, which is achieved by fostering brand awareness to create a high-quality lead pipeline. A successful demand generation strategy effectively reduces costs by increasing CLTV with initiatives that retain clients, boost their loyalty, and encourage brand evangelism.

Demand generation also delivers the following benefits:

- Increased traffic, thanks to long-term brand awareness campaigns with content and ads driving interest towards your website and channels
- Lead quality, by <u>building relationships</u> with qualified audiences and resolving common objections via lead nurturing
- Marketing and sales alignment, by establishing clear and shared goals

Learn how to draw audiences with <u>highly engaging content</u> within a demand generation framework \longrightarrow



Fundamentals of demand generation

In short, demand generation is a long-term marketing strategy, whose full-funnel approach makes for a cohesive, seamless client experience (CX) as leads are attracted into and progress through your sales funnel. Effective demand generation tactics also include delivering remarkably engaging CX even after a deal is closed—increasing client loyalty with this continued support creates opportunities for renewals, as well as for brand evangelism and social proof resources to be built. The post-sale stage of demand generation marketing is often responsible to drive the most value from each client, be it via these strategies or with tactics such as cross-selling and upselling.

Demand generation is most effective when supporting full-funnel nurturing approaches to keep brands and solutions top of mind, while also qualifying leads. As more qualified leads result in a higher chance of successful sales conversations, ultimately leading to more conversions, demand generation is therefore intrinsically tied to increased revenue growth.

Before launching a demand generation strategy, however, it is essential to understand some key concepts that enable its success. **These include branding, lead generation, and the sales funnel.**



Branding

Branding strategies are a core component of demand generation, due to its end goal of driving long-term brand awareness among audiences. Although subjective, branding derives from a company's mission and messaging. This includes brand voice, Corporate Social Responsibility (CSR) initiatives, as well as the aesthetics and overall brand experience that prospects and clients receive (graphical elements and <u>UX</u>).

Essentially, branding is what differentiates your business from competitors, and plays a big part in defining how leads perceive, relate, and respond to your campaigns and business as a whole. Therefore, an in-depth understanding of your audience is crucial to inform your branding efforts and ensure your marketing initiatives are relevant, valuable, and engaging. Anchor your strategies and knowledge with a combination of marketing segmentation, buyer personas, Ideal Client Profiles (ICPs), psychographics, and social listening to glean powerful insights.







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Another key facet of demand generation is its capability to support lead generation strategies. Although lead generation can <u>stand alone as a marketing method</u>, demand generation helps establish a stable pipeline of opportunities for sales due to its focus on establishing long-term brand awareness and relationships, especially when combined with <u>lead nurturing</u>.

Lead generation as a method on its own, however, can easily fall into the trap of overprioritising quantity over quality, focusing on increasing the number of generated leads regardless of how qualified they are. This can dramatically decrease conversion rates, leading to poor marketing performance and wasted budgets. Therefore, it is important to focus on attracting qualified audiences, which will result in a higher probability of conversion, rather than prioritising marketing spend on filling the top of the sales funnel above all else. This is a core tenet of demand generation, which boosts revenue in this way by reducing costs and increasing income.

Boost revenue growth in 2023 with <u>my chapter of Outlook 2023</u>



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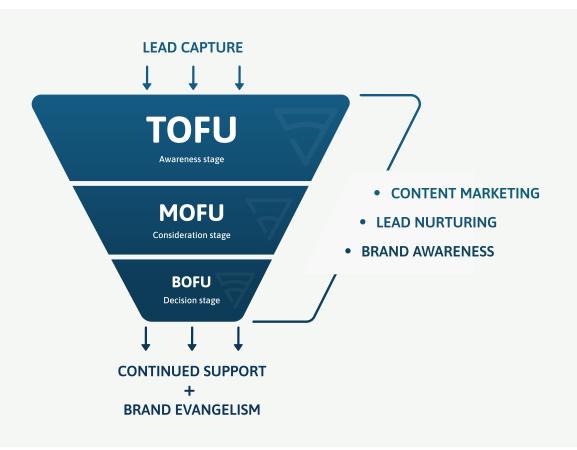
Sales funnel

The concept of the sales funnel has served as a model for marketers and salespeople to follow for <u>over a century</u>, by breaking down the buyer's journey into three distinctive steps, guiding the development of specific strategies at each stage to effectively engage prospects.

Most usually, the sales funnel is divided into three different stages: top of funnel (TOFU), middle of funnel (MOFU), and bottom of funnel (BOFU). The TOFU stage, also referred to as the "awareness stage", comprehends the moment in which prospective buyers become aware of your brand for the first time, up to the point of their first interaction. In the MOFU stage, prospects have settled into a small range of options, and are comparing these offers and considering their differences. Finally, in the BOFU stage, although leads have already identified your brand as a potential solution provider, they still need further nurturing to become entirely convinced and close a deal.

This classic outlook on the buyer's journey is essential for demand generation efforts, in order to better understand the progress of your leads throughout their journeys and adjust your nurturing strategy accordingly. This ensures the progress of your leads throughout the funnel, and seamlessly transitions them to the sales team at the appropriate stage in their journeys.

The following infographic illustrates how the different aspects of demand generation marketing approach each funnel stage.





Learn more about this time-tested marketing staple with 5 templates to inspire your strategies in How to Build a B2B Sales Funnel \longrightarrow

4 steps to get started with your demand generation campaigns

Here are four basic building blocks to get started with demand generation strategies:



Effective branding is the foundation for a successful demand generation campaign. As previously mentioned, ensuring that your content has consistent messaging is crucial to driving the outcomes you expect from your audience. Additionally, branding helps to foster client trust and establish brand authority, which in turn supports awareness. Below are some possible strategies to help drive brand awareness.

3 ways to drive branding for demand generation:

- Community building and content creation: <u>Content marketing</u> is one of the key drivers of demand generation, due to its ability to inform audiences and encourage decision making. Supporting communities, as well as promoting actionable content, develops brand awareness and expands its reach through organic user interaction (such as referrals).
 - Offer unique and engaging brand experience: To stand out from the competition, brands must strive to deliver—and showcase—their unique value and overall experience compared to competitor offerings. This requires quality UX, CX, and ABX initiatives, to ensure clients are delighted with their experience with your brand throughout their buyer's journey and beyond, including when utilising products and services.
 - **Boost outreach with thought leadership and content syndication:** Thought leadership is a content strategy that involves sharing expert insights from internal champions within your organisation. The goal is to provide valuable educational content for your audience, cementing your position as a field authority and keeping your brand top of mind. By combining this approach with content syndication tactics, your content pieces are able to reach a wider range of prospective clients, contributing to brand authority and awareness.

Learn how to enhance your content's reach with our **CMO** Guide to Modern Content Syndication

2. Attract qualified leads

Qualified leads are those most suitable for your solutions, and therefore most likely to become clients. Several factors can be utilised to qualify leads, such as buyer intent data and psychographics.

In order to achieve ROI, it is paramount to focus on audiences whose members are aligned with your Ideal Client Profile (ICP) to inform targeting and avoid wasting marketing spend on blanket campaigns with poor outcomes.

4 ways to attract qualified leads:

- Leverage market segmentation: Segmenting your audience into groups who share similar pain points and preferences is greatly beneficial to the success of marketing campaigns. Market segmentation enables marketers to deliver highly personalised nurturing cadences to each segment, ensuring messaging is relevant and engaging.
- Create buyer personas: These models inform marketing and sales efforts to deeply understand ICPs, in order to craft relevant messaging and content for their needs.
- Leverage social media and targeted advertising: Companies should strive to identify the platforms preferred by their audience, and establish a solid presence by leveraging keywords most related to their clients' pain points. Non-invasive advertising in these and other channels is also a good way to expand your outreach and boost brand awareness.
- **Establish valuable alliances:** By carefully selecting your co-marketing partners, you can ensure your brand reaches new audiences. Furthermore, partnerships allow businesses to share data and split costs, which improves both the accuracy and ROI of campaigns.

Learn how to identify the ideal co-marketing partner for your business with INFUSE SVP of Global Demand Generation Andrew Sambrook's chapter of Outlook 2023













Up next, it is imperative for your marketing efforts to obtain opt-in contact data from your audience, both to gather further information on these new leads and to start delivering nurturing sequences empowered by high-performing content. Typically, capture is done primarily via lead magnets, highly valuable assets that sit behind gates, i.e., forms requiring visitors to share certain information prior to accessing the content.

Although lead magnets are most commonly seen as part of lead generation methods, they are also a common strategy for demand generation efforts to attract audiences and drive conversions. Some ideas of gated content that can serve as lead magnets are:

- Whitepapers and eBooks offering thought leadership-driven, in-depth analysis of topics relevant to your audience's interests
- Case studies demonstrating how your products and solutions were able to deliver transformative impact to clients representing industries and firmographics similar to those of your new audiences
- Toolkits containing valuable resources to help your audience navigate topics related to their major pain points, establishing trust
- **Expert opinions** on trending topics, establishing thought leadership, and attracting new leads via SEO

Learn more about these and other lead magnet types with 10 High Converting Lead Magnet Examples and Design Ideas \longrightarrow







4. Launch nurturing strategies

The goal of lead nurturing is to establish relationships and build trust to drive sales, as well as encourage client loyalty and brand evangelism.

The key to lead nurturing is to identify frequent objections and knowledge gaps, and develop content or resources that address said needs and contribute to a positive experience. Providing leads with value and educational materials via lead nurturing can establish your brand as an authoritative source of information in your niche, which supports long-term brand awareness and word-of-mouth marketing.

- Content marketing: Content plays a crucial role in lead nurturing, and as such, should be tailored to your target audience. Content marketing can include thought leadership, original research, or foundational content that educates on pain points and their solutions. The greater the value provided, the more your content strategies will support establishing your business as a trustworthy authority and solution provider.
- **Email nurturing** is one of the primary methods of engaging leads in nurturing sequences, without seeming overly invasive. Personalised email nurturing cadences can direct your leads to the content most relevant to their interests and needs. However, make sure to track your leads' engagement with content, to optimise cadences and determine their progression along the buyer's journey.

Social media are also powerful channels to deliver lead nurturing—newsletters with specific audiences, boosting posts via paid ads, and even direct outreach (LinkedIn InMail, for example) can be leveraged within these platforms to deliver personalised nurturing to your audiences. These networks are also a great source of data and information on your leads, shedding light on their preferred topics and interests.

Craft efficient lead nurturing sequences with our <u>6-month playbook</u> \longrightarrow



Tracking ROI of demand generation efforts

Tracking the ROI of demand generation can be challenging, especially for omnichannel campaigns, as it requires granular analysis of a combination of metrics to correctly evaluate its outcomes and success. As a result, KPIs should be defined prior to launching campaigns, and continuously measured to enable adjustments as needed.

Some KPIs that can be utilised for demand generation are:

- Total number of leads generated
- Cost per lead (CPL)
- Lead quality
- Inbound traffic
- Client lifetime value (CLTV)

These indicators can be utilised to create a simple overview of your ROI. However, tracking lead progress until a sale or a dropout, as well as combining <u>predictive analysis</u> with already-owned data, can provide a clearer view of the actual ROI from demand generation.

While this guide focuses primarily on TOFU efforts, it is essential to consider the performance of demand generation campaigns as a full-funnel approach. Tracking metrics for leads as they progress through the middle of funnel (MOFU) and bottom of funnel (BOFU) stages is therefore also crucial.

Here are some metrics to keep track of during the later stages of the funnel:

- *Close rate, which evaluates sales performance and the quality of your nurturing process*
- Dropout rate and the stage of these lost leads in the buyer's journey, to shed light on where to action improvement in your sales funnel
- Conversion rates for MQLs into SQLs, and SQLs into clients
- Average cost per acquisition (CPA)
- Payback period for your investments

Learn the most impactful demand generation metrics to track with our B2B Expert Roundup on marketing KPIs \longrightarrow



Example demand generation campaigns

To help you craft your own targeted strategies, below are two examples of demand generation campaigns built to drive engagement with specific audiences.

Example campaign #1: LingCorp



LingCorp, a freelance B2B translation company, decided to create a demand generation campaign designed to boost their influx of qualified TOFU leads (the end goal of this campaign).

The primary KPIs determining the success of this campaign were the number of leads generated, the average cost per lead, and lead quality.







2. Consolidating the brand voice

For this step, LingCorp's marketing team referred to their mission statement, vision, values, and unique value proposition (UVP) as the foundation for building the campaign—and ensuring consistency.

- Mission: Deliver trustworthy on-demand translation and localisation services for digital marketing professionals on a global scale.
- Vision: Enable communication between global enterprises and their local audiences, both linguistically and culturally.
- Values: Celebration of cultural differences, with a diverse team. Quality and excellence in service, with field experts available to verify translations. Humanisation, allocating resources to professionals based on their target geos.
- Unique value proposition (UVP): Human-made, research-based translation services from experts across the world.

Considering the elements above, LingCorp's marketers created style guides to properly communicate these values to their audience. The brand voice followed a familiar and clear tone, supported by warm colors and design elements.

Furthermore, Corporate Social Responsibility (CSR) initiatives were planned, focusing primarily on celebrating the diversity of different cultures, with posts on holidays and events across the globe. These not only supported a stronger brand image, but also contributed to solidifying LingCorp's brand values to their audiences.



Market research by LingCorp revealed a common pain point of its audience: a lack of satisfaction with AI-backed translation services, due to their inability to process more informal texts, as well as to maintain a desired brand voice in messaging.

The research also revealed that most of these services cater exclusively to B2C. Lastly, firmographic and demographic analysis of LingCorp's audience revealed that most buyers held manager positions in marketing and design teams.

This data was used to create a buyer persona, as well as inform a GTM strategy focused on highlighting the human-based aspect of LingCorp's translation services and other UVPs. This persona served as the target for this first demand generation campaign.





4. Leveraging content marketing

Informed by the research from the previous step, LingCorp's marketers developed snackable, short-form content that offered value and positioned the brand as an authority by leveraging original research and data insights. This was combined with addressing the common challenge of crafting messaging for particular cultures as the main topic. Simultaneously, in-depth studies on marketing to global audiences were published as gated assets, serving as <u>lead magnets</u>. These exclusive research reports were linked to in CTAs throughout the short-form pieces. LingCorp's marketers also ran paid advertising and social media campaigns to drive traffic to these pages from multiple channels, engaging the leads with educational content and earning their opt-in information via the lead capture forms.



5. Designing lead nurturing sequences

As the campaign evolves, LingCorp's marketers collected data and gleaned additional insights on their audience, thanks to the previous <u>lead capture efforts</u>.

Further segmentation of their audience revealed particular pain points of target accounts, which were then individually targeted with personalised content. For example, accounts with an interest in CSR are directed to content on related topics, whereas others who demonstrate concerns about the quality of translations received assets that addressed these objections.

Discover how to best engage your leads throughout their nurturing cadences with our <u>Definitive Guide to B2B Lead Nurturing</u> \longrightarrow



6. Measuring results, making adjustments, and building follow-up campaigns

Midway through the campaign, LingCorp's marketing team assessed how the campaign performance was measuring against KPIs, revealing points of optimisation. For example, high levels of engagement on social media and ads informed which channels to prioritise in the channel mix, supporting maximum ROI on campaign outreach strategies.

By the end of this demand generation campaign, LingCorp had not only acquired a significant amount of new leads which met their qualification criteria, but was also able to collect valuable data on pain points and content preferences to inform its future strategies.



Example campaign #2: TaskForce



TaskForce, a B2B SaaS company with an extensive portfolio of project management software, had the end goal of increasing the average quality of its TOFU leads—therefore also supplying its sales teams with a greater number of opportunities.

The selected KPIs focused primarily on meeting lead qualification criteria, sourced from sales reps' feedback on the common traits of leads that successfully convert.

2. Selecting the targets

Input from their sales teams revealed distinct audience segments, each with its own pain points, which empowered TaskForce's marketing team to craft personalised nurturing cadences.

The company identified that medium-sized businesses required more cost-effective solutions compared to enterprise-level accounts. This was also prevalent in the publishing and software verticals of its target audience. This information helped TaskForce determine the messaging and priority targets for its demand generation campaign.



3. Repurposing and crafting content

TaskForce repurposed old content, by updating it with new data from in-house research, in order to optimise spend on its outreach. Short-form assets with this data were also published, focused mostly on increasing performance and staff care—both topics of interest to TaskForce's audience, identified via <u>social listening</u>. By creating both snackable and full-length versions of its research, TaskForce was able to tailor its content to a variety of preferences.





TaskForce's marketers leveraged co-marketing and content syndication <u>campaigns with valuable partners</u> to increase its outreach at a low cost. This strategy successfully attracted qualified leads for TaskForce, engaging them with multiple content pieces across different channels, which supported nurturing and confirmed leads met the company's specific qualification criteria.

5. Analysing results and planning follow-up nurturing campaigns

TaskForce analysed the data from its co-marketing and content syndication campaigns to glean new insights into buyer objections. This information was then leveraged to craft more accurate nurturing cadences, as well as case studies that addressed these objections and encouraged conversions.

Lead intelligence analysis revealed that the most recent influx of leads adhered closely to TaskForce's qualification criteria, which translated into higher engagement, more sales conversations, and ultimately more closed deals. Although these leads presented a higher CPL, due to increased spend on the attraction and capture process, the overall CPA, once these deals were closed, however, proved to be remarkably lower. This was due to the higher efficiency of later-stage campaigns, informed by data insights. These factors led analysts to consider the campaign ROI as very positive.



Discover how to effectively leverage demand generation at the next stages of the sales funnel with our other guides:

- Learn how to nurture MOFU leads and enable their progress through your sales funnel with our <u>MOFU to BOFU Guide</u>
- Understand the tactics to best address the needs of your BOFU leads with our article on <u>Why Bottom of Funnel Leads Need to be Nurtured</u> —>





Key Takeaways

Demand generation is capable of driving long-term brand awareness and client trust, establishing a steady flow of high-quality leads, and increasing revenue. However, its implementation requires the right approach.

These are 5 key takeaways for ensuring your demand generation campaign drives successful outcomes:

- Ensure quality branding: Stand out from competitors with a consistent brand voice and messaging that promotes your unique value proposition (UVP).
- Craft valuable content: Establish your brand as an authority in its vertical with content that is relevant and drives engagement via nurturing cadences, social media, ads, and content syndication.
- Create a valuable nurturing experience: Lead nurturing is key to developing long-lasting relationships with prospects and clients, establishing trust and positioning your products and brand as the ideal fit for your audience's challenges.
- Evaluate your campaign's performance and adjust accordingly: Establish KPIs closest to your end goals prior to launching your demand generation campaigns, in order to enable them to be revisited and adjusted as they develop, ensuring maximum ROI.
 - Track your leads' progress throughout the sales funnel: After acquiring your TOFU leads, be sure to measure traffic, engagement, and other indicators related to lead progress to ensure the delivery of the most appropriate nurturing cadences, catering to their evolving needs as they progress in their buying journeys.



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About the Author

For nearly 30 years, <u>Dan Freeman</u> has used his deep expertise in business, technology, and sales processes to help businesses succeed.

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