

Taming the Wild, Wild West

*an interview with Steve Rafferty, [ActiveProspect, Inc.](#)
with Mitch Talenfeld, [MDT Direct](#)*

Steve, how do you describe your company, ActiveProspect, and what it offers to schools?

Steve: ActiveProspect provides Web-based applications that are used to match the overall process of acquiring leads via the Internet. These tools reside in between the buyers and the sellers of the leads.

The primary application that we provide is a Web-based lead management system called Lead Conduit. It serves as a single point of integration between all the different lead vendors or lead sources—all the places where you might acquire leads. It captures the data and then delivers it to whatever systems you're using for converting leads into students.

I break down what Lead Conduit does into four major buckets. First and foremost, it provides tracking and reporting. It keeps track of where you're getting your leads and how they're performing. Secondly, it performs data validation and verification, to ensure that you don't get duplicate leads. It makes sure that the leads you get have all the required fields. It checks the phone numbers to make sure they are valid phone numbers, and e-mail addresses to make sure they're real e-mail addresses. Basically it serves as a front-line filter. Thirdly, it handles routing and delivery, making sure that no matter where a consumer signs up, you can act on that lead data immediately and follow up with that con-

sumer in real time. Lastly, it's a tool for managing your partners. It's a way to give them Web-based reporting, to manage lead returns to your partners, and give them instructions for how to integrate. Basically it's a way to communicate to all your partners the information you need to get to them.

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Those are the four buckets that I assign to the functionality we provide. Without a tool like Lead Conduit, a school would have to hire a bunch of developers and build something internally to achieve the same goals.

Lead generation has often been described as the Wild, Wild West; I take it you're taking some of the "wildness" out of it?

Steve: We're definitely trying to. I think part of the reason people say it's the Wild, Wild West is that there are a lot of different types of leads being generated from the Internet and it's difficult to know what you're getting. Unless you have a good system in place for tracking the leads and monitoring their performance and following up with leads immediately, it's hard to know

what you are getting, and you can be subject to the whims of the lead vendors.

What are the most important trends in lead generation for career colleges?

Steve: I think there are a few different trends going on right now. One is that there are huge numbers of lead vendors specializing in the education vertical. There's an increase in demand for leads and there's an increase in supply of leads as well. There's just a lot more activity

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versus a few years ago. Three years ago, all the lead vendors were focusing on mortgage leads and refinance leads, because that's where the action was in the industry. Nowadays a lot of these same vendors are focused on the education vertical. A lot of them don't

know a whole lot about the education vertical, and a lot of them may not use the best practices. But that's one trend—the sheer volume of activity that's going on.

I'd also argue that there are much better technologies available today than ever before. In the past, with the types of technologies that we're offering to schools, they'd have to rely on an agency to manage it. So the only people who had the right technology for lead management were large agencies that built their systems in-house and used them for their own media-buying and lead-buying activities. Now a school can access this technology directly; they can pay just for the technology and then manage their own lead-buying activities. There's a lot more control available to schools than ever before. In the past, you might have relied on an agent or an agency to do all your media buying, just because they had the technology; they might not have been that great at buying leads. Now you



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can separate those activities, and you can choose what technology you use and what media buying or agencies you want to work with as well.

So as a director of marketing for a school, with Lead Conduit I can look at all the lead data coming in and determine which affiliates work, which ones don't work, which ones are worth the money I'm paying, and which ones aren't?

Steve: Exactly. By having more control, it allows you to right price the leads. So you can decide that leads from one source are worth \$2 and leads from another source are worth \$50, and you can pay appropriately based on the types of leads you're buying, instead of buying everything from one source and paying the same rate for everything.

So price negotiation is acceptable in the lead generation marketplace?

Steve: It depends on who you're talking to. Some people will negotiate, others won't. But usually people know approximately what their leads are worth, and if you're talking to the person or the company that's actually generating the lead, they will price it appropriately.

Mitch Talenfeld: Lead aggregators develop their leads in many different ways. They have different channels of traffic coming into their system. They have different programs and different Web sites that they use for different purposes. A system like Lead Conduit gives agencies and schools the ability to be able to break down those leads by channel. So they're not looking at the vendor as one lead source; they're looking at each lead vendor or aggregator as a source of multiple lead

channels. They can analyze the effectiveness of the various channels based on their ability to convert leads from each channel that comes in through that vendor. So they can go back to a vendor and say, "Okay, channel A leads aren't converting, so if we're going to continue to accept them we'll only give you X amount of dollars, or cut off that channel. Channel B is working fine, and we're okay with Channel C."

Then, in another direction, are schools with several different programs of study; Lead Conduit gives them the ability to be able to price leads based on program. Cosmetology leads, for example, have traditionally been less expensive than

medical leads. So at the end of the month, when the school or the agency is getting all their bills from their lead vendors, they can look at a Lead Conduit report that

breaks down all the prices for them, compare it to the invoices and say, "Okay, this campus received this many leads from this vendor for this program or that program. Leads from this program were priced at \$20 a lead, and leads from that program were priced at \$45 a lead." So it makes it a lot easier to buy Internet leads, to analyze them, and to manage their Internet lead flow. It gives schools the ability to eliminate all of the bad lead sources and focus only on the good lead sources.

Steve: It all boils down to more transparency and more control. The power is in understanding where your leads are coming from, pricing them appropriately, and having the proper tools to convert those leads well and track the performance of those leads.

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So life could be that simple?

Steve: We're trying to make it simple. It's certainly not simple yet, but it's getting there.

What are the challenges that you face in delivering this product? How is your product evolving to better serve schools?

Steve: When we started working on Lead Conduit about five years ago, we initially were focused on industries outside of education, industries that

It's fascinating, all the different techniques that are being used out there. The "incentive giveaway" just happens to be a method that generates a high volume of leads—not necessarily the best quality leads, but the highest volume.

had been buying leads more aggressively for a longer period of time. One of the challenges for us initially was to tailor Lead Conduit for the needs of the education industry, and that's where MDT Direct has

become a critical partner for us, because MDT knows the education industry better than anybody.

One of the challenges now is educating the industry about this tool and what it's really capable of doing. I think a lot of schools are frustrated with Internet leads because they don't really understand the whole picture. Users often don't realize how powerful Lead Conduit can be until they actually try it. Then the light bulb goes on and they say, "Wow, this makes my life so much easier, and I've increased the ROI from my leads versus what I was getting before." That's one reason Mitch and I have been speaking at education conferences across the country. Mitch put together a program called "Unmasking the Truth About Internet Leads," to explain to schools why they're getting leads of varying

quality, including respondents who are looking for free iPods and not really interested in going back to school. We can help them put a program in place to really manage their Internet leads properly.

Isn't uncertainty the nature of Internet leads, though?

Steve: That's the challenge: that there are all types of leads. It comes back to the intent of the person who signed up as a lead. When the user filled out a form online, what were they looking to do? If you've got someone who goes onto a search engine and types in a search for a school that's teaching a particular program in their area, and then they fill out a form specifically for one of those schools, that is a very highly qualified lead. Their intent was to search for a school because they want to go back to school. That's a much different type of lead than, say, a Yahoo user who clicks a banner ad saying, "Get a free iPod!" and they fill out their information and somewhere during that process there's a check box that asks, "Are you interested in going back to school?" and they click yes. Now, that person may in fact have some interest in going back to school, but their intent is nowhere near the level of someone who's actively searching for a program.

So all Internet leads are not created equal. I think what tends to happen is people just assume all Internet leads are junk based on whatever experience they've had, because they don't understand how various types of leads are generated, what type of Internet traffic was used to generate the leads, or what the process was that the consumer actually went through to become an Internet lead. It's fascinating, all the

different techniques that are being used out there. The “incentive giveaway” just happens to be a method that generates a high volume of leads—not necessarily the best quality leads, but the highest volume.

Another major complaint of schools seems to be everybody gets the same leads. Does your software have any way of managing that?

Steve: Absolutely. There are a couple of things that we do when it comes to exclusivity. One is real-time duplicate checking. So if you’re buying leads from 10 vendors and they all send you the same lead within a couple of minutes, Lead Conduit will accept the first one and mark the rest as duplicates. We’ll bounce back to the vendors that it’s a duplicate lead. Because this works in real time, if you get a lead that comes in literally one second after another one and it’s a duplicate, we’ll give a duplicate response back. There are some very detailed granular controls around duplicate checking.

The other nice thing is that when you get a duplicate lead, we’ll link back to the original lead so you can see which vendor sent you the lead first. You can analyze which vendors are sending you duplicate leads and decide whether you want to continue working them. But the main thing is we make sure that you don’t pay for those duplicates. Make duplicate leads the vendor’s problem; if they’re sending you the same lead that another vendor already sent you, then they need to optimize the process on their side. But you just don’t even receive that lead. You give them a response saying it’s a duplicate and you’re not going to pay for it and that’s the end of the story.

The other aspect of exclusivity is that all schools in the market may be getting the same leads. Is that within your ability to track?

Steve: Yes and no. You should see that in the performance of the leads from that vendor. If you’re buying leads from a particular vendor and each of their leads goes to 10 or 15 schools, you should see that reflected in the performance of the leads. You should close a lower percentage of leads from that vendor versus other vendors. If their performance is still good, if you close just as many leads from that vendor as you do from your other vendors, then don’t worry about it.

Either the leads work or they don’t.

Steve: Exactly. Or maybe they work at a different price. As long as you manage it based on the cost per enrollment, or whatever you’ve chosen to be your conversion, then it doesn’t really matter.

What else would you like a school owner or manager to know about your services?

Steve: We’re all about the nuts and bolts. We’re the process folks. I often hear lead buyers say, “I tried Internet leads and they just don’t work.” Well, it’s not necessarily the fault of the leads; it could be your process.

First and foremost, you need to contact the leads immediately. A lot of people aren’t doing that. When I say immediately, I mean send the lead a real-time auto responder e-mail saying, “Thanks for signing up, we’ve got your

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information and we're going to contact you soon. In the meantime, here's the number where you can reach us." Then, also give them an immediate follow-up call.

Lead Conduit can help by making sure that wherever the lead comes from, it's delivered into your appropriate systems in real time. So if you have a CRM solution, we send the data directly into that CRM solution. If you have your own e-mail service provider, we'll send that data directly into your e-mail service provider. If you're using form-to-phone technology, we'll send the data directly into that technology. Whatever you're using to follow up with a lead, we automatically send the data into that system so you can follow up immediately. That's a really important piece, because a lot of people are taking days to follow up with their leads. In order to get the attention of a potential student, you need to act a lot faster.

Mitch: A lot of schools think they're doing a good job with lead response, but if they're competing against groups like AIU or University of Phoenix that have automated systems in place, they'll lose every time. If I went online and filled out a form right now, and that lead went to the University of Phoenix, AIU and one other group, I would get a phone response within a minute's time from

AIU and University of Phoenix. I might wait anywhere from one to three hours or more to hear from some of the other schools. They don't have the automated systems in place, or the software systems to make it happen.

If I'm a prospect and I've got information coming back to me from five schools, after the second or third response, I've got my appointments set up and I'm not interested in talking to anybody else. That's the reality. Many of our school friends and clients are in a very bad competitive position when it comes to converting Internet leads.

Steve: Back to the earlier analogy, I think if you're going to play in the Wild, Wild West, you've got to be armed with the right tools or the right weapons. If not, you're at a severe disadvantage.

And Lead Conduit is the right weapon?

Steve: We think so.

Mitch: This is the kind of system that can allow our schools to really be competitive with the big boys. My personal goal is to change the way schools are buying Internet leads in this business and to help tame the Wild, Wild West. This is a great tool to help them do that.