

IAB Lead Generation Reader

An Indispensable Resource for Lead Generation Companies, Marketers, and Agencies

Includes:

IAB Marketer & Agency Guide to Lead Quality
IAB Marketer & Agency Guide to Online Lead Generation
IAB Lead Generation Data Transfer Best Practices



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Summary

In the spirit of providing transparent and effective recommendations for Lead Generation companies and their clients, the IAB presents three documents developed through its Lead Generation Committee which provide an overview of the importance of Lead Generation within interactive advertising. The Committee believes that these documents, along with future initiatives, address many of today's most important issues facing marketers, agencies, and lead generation providers.

This packet includes:

- **The IAB Marketer & Agency Guide to Lead Quality** – defines Lead Quality, stressing its importance for agencies and marketers; includes recommendations on measuring the five components of Lead Quality
- **The IAB Marketer & Agency Guide to Online Lead Generation** – defines Lead Generation and outlines what types of companies are using it; provides examples of verticals which effectively use and benefit from Lead Generation
- **The IAB Lead Generation Data Transfer Best Practices** – educates marketers and their respective providers on security recommendations and operational best practices surrounding the transfer of lead information

IAB Lead Generation Overview

The IAB's Lead Generation Committee is a forum for lead generation professionals who work for IAB member companies. The committee's objective is to support and promote the medium as a valuable channel to advertisers and their agencies. The committee works to define best practices that ensure lead quality, improve conversion, and educate marketers and agencies on lead generation/customer acquisition as a cost-effective vehicle for advertisers to drive high quality customers.



Interactive Advertising Bureau Marketer & Agency Guide to Lead Quality

Released March 14, 2007

Executive Summary

This document reviews the definition of Internet lead quality, the aspects of lead quality, and the impact of lead quality on advertisers and agencies that rely on Internet leads as a critical component of their marketing strategy and/or business model. This document also addresses how to quantify the various aspects of lead quality and generate lead quality ratings scores, and provides some guidelines for ranking the aspects of lead quality based on specific industry benchmarks.

Why Should I Care About Lead Quality?

For advertisers, lead quality may have a direct impact on marketing return on investment and on sales operational efficiency. Buying large volumes of low quality leads could mean that you are spending a significant portion of your advertising budget on leads that have little chance of converting into customers. Moreover, the time and effort your sales force spends on trying to convert these low quality leads is time and effort taken away from focusing on the high quality leads, meaning that some leads with a high probability to convert are not receiving the prompt attention required to convert them into customers right away.

Lead quality may also have a significant impact on agencies. Because the lead generation business is so highly competitive, agencies that focus on improving the quality of the leads they provide to their advertiser clients may be able to differentiate themselves from their competition, which can influence advertisers into directing a higher percentage of their advertising budget to those agencies. In addition, high quality leads are generally less likely to be returned by the advertisers, enabling agencies to monetize more leads.

As the lead generation industry is shifting from a model based on quantity to one based on quality, it is critical that advertisers and agencies carefully measure and monitor lead quality. After all, the Internet is becoming an even more important advertising medium for advertisers, whether those are global enterprises or small and medium sized businesses advertising at the local level.

What is Lead Quality?

Generally, “Lead Quality” describes the assessment of the consumer’s genuine interest in the advertiser’s product or service, and therefore, the likelihood that the consumer can be converted into a customer. No matter what the advertiser or marketing medium is, it is generally accepted that a “high quality” lead typically has a greater chance of being converted than a “low quality” lead. However, when it comes to Internet leads, lead quality has often been a subjective concept for each individual advertiser, and the determination of lead quality has been driven by whether or not leads converted.

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During a telephone or in-store interaction between a consumer and a product seller or service provider, there is usually an opportunity for the sales person to proactively gauge the consumer's level of genuine interest and make a real time determination in the likelihood that individual will become a customer. Unfortunately, Internet leads do not provide that real-time interaction. As a result, advertisers have historically been forced to judge a lead's quality by whether or not they convert into a customer. By understanding that Internet leads have measurable components that can reflect the consumer's intent, or influence an advertiser's ability to convert leads into customers, advertisers can proactively measure the quality of each individual lead prior to funneling those leads to their call center or direct mail fulfillment center.

These components include the where, when, and why a consumer provided their contact information to an advertiser. More specifically, these refer to the channel through which the lead was generated, how long ago the lead was generated, and the motivation or inducement for the consumer to provide their contact information. Additional components include the exclusivity of a lead and verification that the input data is accurate and actionable. Each of these components has a degree of influence on the overall quality of a lead.

****The ratings and examples supplied in this document are suggested. It is ultimately up to the advertisers and their agencies to determine the relative importance of these components, what their minimum thresholds are for lead quality, and ultimately define their own set of requirements for accepting Internet leads.***

Definition of Lead Quality Components

Given the subjective nature of lead quality discussed above it truly is in the advertiser's best interest to define a unique set of requirements for accepting leads. Despite this, there are a number of set components that, if defined and measured properly, can set the foundation for determining lead quality. To further breakdown the components mentioned above, the IAB's Lead Generation Committee has defined five specific components that typically have the greatest impact on lead quality:

Lead Origination, as it applies to online lead generation, refers to the specific advertising medium used to capture both consumer interest and consumer information. Lead Origination answers the question, where and how are my leads being generated?

Ex. Search Engine Marketing: A consumer conducts a search, clicks on a sponsored listing, and is driven to a micro site owned by an advertising agency. The micro site has a form to request information about the advertiser's product/service. The consumer fills out the information and continues to search the web for other relevant product/services offerings.

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Consumer Motivation, as it applies to lead generation, refers to the reason(s) that the consumer filled out the lead generation form. Consumer Motivation answers the questions:

- What was behind the consumer taking action?
- Was the action proactive or passive?
- Was the action planned or impulsive?
- Was the lead generated as part of an “up sell” or did they only respond to one product?
- What specifically piqued the consumers’ interest?
- Were they genuinely interested in my product/service or was it an incentive that caused them to take action?

Lead Exclusivity, as it applies to lead generation, refers to whether or not the lead is sold to one advertiser or multiple advertisers. *Lead Exclusivity* is dependant on whether or not the lead was generated for a specific brand or advertiser, or alternatively, a generic product or service where a consumer is likely to be price shopping or comparing similar products.

If the lead is advertiser specific, then, generally, it should only be sold once. If the consumer has responded to a generalized offer, *Lead Exclusivity* refers to how many times that lead is sold. It is generally accepted that the more times a lead is sold, the less value it may have to an advertiser because they are potentially competing with several other advertisers. *Lead Exclusivity* answers the following questions;

- Are you using a generic lead form or one that incorporate my brand?
- If generic, how many times will the lead then be sold?
- Will the consumer select the advertisers they wish to be contacted by, or will their selection be made by the marketer?
- Does your product have such a high competitive advantage that consumers will choose yours over other lead buyers?
- How quickly and aggressively can I follow-up with said lead?

It is usually much more common for generic leads to be generated and sold multiple times in the financial services and real estate markets.

Lead Age, as it applies to lead generation, refers to the time it takes from the submission of the lead form to the delivery of that lead to the end buyer. Generally, advertisers who buy Internet leads see great value in following up on a lead immediately, in other words, contacting the consumer while the lead is “hot” – typically under 24 hours. Further, the highest value is usually placed on “real-time” leads, meaning a lead is transferred to them upon submission of the lead

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form. Advertisers may also see a severe degradation of the lead's value even after a single day.

Verification of Data Fields, as it applies to lead generation, refers to whether or not the information submitted by the consumer through a lead generation form is verified using either a) internal technology or b) a 3rd party verification provider. *Verification of Data Fields* is critical to lead quality because there is no inherent manner to prevent a user on the Internet from entering inaccurate information, either fraudulently or due to data-entry error. Verifying the data prior to sending the information to the advertiser's call center can prevent spending time and effort trying to contact the wrong person or reaching out to a non-existing phone number or address.

Measurement of Lead Quality Components

Each of the five components defined above can be measured. To assist with that measurement, the IAB's Lead Generation Committee developed ten-point scales for each component. This section provides guidelines for determining how to place a lead on the ten-point scale for each individual component.

Lead Origination

To measure the impact of Lead Origination, it is first necessary to determine the channel through which the lead was generated. The six options are:

1. Search
2. Portal
3. Non-Portal Publisher
4. Ad Publisher Network
5. Lead Network
6. Co-Reg/Transactional Provider

Once the channel is determined, there are a set of eight questions to ask and apply scores to in order to build an overall rating of 1 to 10. The questions, and suggested ratings of each answer, are:

1. Is the pricing based on a Pay for Performance model?
 - a. Yes = 1
 - b. No = 0
2. Do you have control over the advertising creative?
 - a. Yes = 1
 - b. No = 0
3. Do you have control over the response vehicle?
 - a. Yes = 1
 - b. No = 0
4. Do you have the ability to manage the brand?
 - a. Yes = 1
 - b. No = 0
5. Did the consumer have to opt-in to enter their contact information?
 - a. Yes = 1
 - b. No = 0
6. Was the consumer given an incentive to enter their information?
 - a. Yes = 0
 - b. No = 2

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7. Was the lead generated on a site that targets the advertiser’s ideal demographic?
 - a. Yes = 1
 - b. No = 0

8. Was sufficient information captured on the lead form for the advertiser to generate a sale?
 - a. Yes = 2
 - b. No = 0

It is important to note that questions 6 and 8 carry more weight than the other questions. In addition, question 6 is the only question in which a “No” response generates a higher score than a “Yes” response.

This scale can be graphically displayed in a simple grid like the one below. By determining the channel through which the lead was generated and answering the eight associated questions, you can easily derive a score for measuring the Lead Origination component.

	Pay for Performance Pricing [Weight: 1]	Control over advertising creative [Weight: 1]	Control Over Response Vehicle [Weight: 1]	Ability to Manage the Brand [Weight: 1]	Opt In [Weight: 1]	Incentive Usage [Weight: 2]	Audience Targeting [Weight: 1]	Sufficient Information for Advertiser to Generate Sale [Weight: 2]	TOTAL SCORE
Search									
Portal									
Non-Portal Publisher									
Ad Publisher Network									
Lead Network									
Co-Reg/ Transactional Provider									

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Consumer Motivation

The Lead Generation Committee analyzed both Advertiser-based incentives and Publisher-based incentives to calculate suggested relative values of lead quality. In general, leads generated without incentives may rate higher than those where data was captured in conjunction with a giveaway or sweepstakes-type offer.

The Committee categorized Advertiser-based incentives and scored each category as follows:

Advertiser Incentive	Definition	Quality rating (1-10)
Sweepstakes entry	Get entry into sweepstakes with submission	2
Free sample	Get free sample with submission	2
Free gift for free trial	Get free gift with product trial (i.e. continuity club) with submission	3
Free coupon	Get coupon sent in mail or immediately with submission	4
Free trial	Get free trial (i.e. magazine) with submission	5
Free quote	Get free quote (i.e. mortgage, auto) with submission	7
Free information	Get free information (i.e. tourism guide) with submission	9
Newsletter sign-up	Get periodic newsletters with submission	9
Other?		

As is demonstrated, as the incentive moves away from prizes and giveaways to more informational in nature and genuinely interested in the product, service, or the company itself, the overall quality rating may increase.

Another variable associated with Advertiser-based offers is the level of financial commitment by the consumer, as measured by what kind of personal information they are asked to provide and actually do provide. For example, if a client voluntarily provides a credit card number, that may represent a higher level of intent than merely providing information such as their home address. The Committee rated financial commitment as follows:

Advertiser Incentive	Definition	Quality rating (1-10)
Financial commitment - Low	Must provide some personal data (i.e. address) with submission	3
Financial commitment - Med	Must provide credit card with submission	7
Financial commitment - High	Must provide social security number or ABA number with submission	9

Additionally, the Committee considered whether the form asked additional qualifying questions. The determination of the Committee was that a lead submitted with qualifying questions answered by the consumer added 3 points to the quality rating.

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With respect to Publisher-based incentives, the Committee generally felt that lead quality may be much lower on publisher sites that offered free gifts as incentives to consumers. The Committee rated Publisher-based incentives as follows:

<u>Publisher</u>	<u>Definition</u>	<u>Quality rating (1-10)</u>
Free gift (ipod, gas card)	Get free gift (i.e. ipod) when consumer takes required offers	2
Sweepstakes entry	Get entry into sweepstakes when take required offers	2
Points	Get points when take required offers	4
Ad placements	Banner or text links click-through to form	7
Contextual	Banner, text links or form are placed in contextual placement	7
Publisher endorsed	Form is endorsed by the publisher (i.e. “we recommend ‘X’ brand”)	9

Lead Exclusivity

The Lead Generation Committee suggests the scale below to quantify Lead Exclusivity.

<u># of Times the Lead is Sold</u>	<u>Value (10 point scale)*</u>
Lead sold 1 time	10
Lead sold 2 times	6
Lead sold 3 times	4
Lead sold 4 or more times	2

*10 is the highest quality rating. 0 is the lowest quality rating.

Lead Age

The Committee developed a scale based on rating leads based on the length of time elapsed from form submission by the consumer to transfer of the lead to the advertiser. Generally, “real-time” leads rated highest, and leads that were one week old or older had the least value. Below are examples of scales derived by advertisers from particular industries.

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Advertiser - Education	
Age of Lead	Score
Real Time	10
1 day old	7.5
2 days old	5
3 days old	4
4 days old	3
5 days old	2
6 days old	1
7+ days old	0

Advertiser - Insurance	
Age of Lead	Score
Real Time	10
1 day old	9
2 days old	7.5
3 days old	6
4 days old	5
5 days old	3
6 days old	2
7+ days old	1

Advertiser - Healthcare	
Age of Lead	Score
Real Time	10
1 day old	7.5
2 days old	5
3 days old	4
4 days old	3
5 days old	2
6 days old	1
7+ days old	0

Advertiser - Mortgage	
Age of Lead	Score
Real Time	10
1 day old	7.5
2 days old	5
3 days old	4
4 days old	3
5 days old	2
6 days old	1
7+ days old	0

In addition, the Committee obtained input from Ad Networks and Lead Aggregators/Portals, to provide examples of how they might measure the impact of the age of a lead on overall lead quality from the perspective of companies that generate and sell leads to their advertiser clients.

Ad Network	
Age of Lead	Score
Real Time	10
1 day old	7.5
2 days old	5
3 days old	4
4 days old	3
5 days old	2
6 days old	1
7+ days old	0

Lead Aggregator/Portal	
Age of Lead	Score
Real Time	10
1 day old	9
2 days old	7.5
3 days old	6
4 days old	4.5
5 days old	3
6 days old	1
7+ days old	0

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Verification of Data

The Committee suggests the following scale to measure how robust different methods may be for verifying the accuracy of the data entered on a lead form.

Scale	Data Verification Technique
10	Every lead has been manually verified (lead answered the phone and confirmed interest) by someone from your team before lead has been sold.
9	Most leads have been manually verified and the rest have been put through a third party data verification solution
8	Some leads have been manually verified and the rest have been put through a third party data verification solution
7	Every lead has just been put through third party real-time data verification solution to confirm that name, address and phone numbers are all good to contact
6	Most leads have been put through third party real-time data verification solution and the rest have just been put through USPS/Area Code Validation filters
5	Some leads have been put through third party real-time data verification solution and the rest have just been put through USPS/Area Code Validation filters
4	Every lead has been put through a USPS/Area Code validation solution to confirm that the lead's address exists and phone number is potentially valid in given geography
3	Most leads have been put through a USPS/Area Code validation solution and the rest have been de-duped and checked for obscenities
2	Some leads have been put through a USPS/Area Code validation solution and the rest have been de-duped and checked for obscenities
1	Every lead has just been de-duped and checked for obscenities-- no other verification or validation procedures in place
0	No verification techniques currently in place. Raw leads are submitted directly to clients.

Building a Lead Quality Scoring Model

The previous section discussed applying rating scales to each of the five key components of lead quality. This section discusses taking those ratings scales and using them to build a single lead quality scoring model, which can be used to apply a single lead quality score to each individual lead.

Ranking the Components

The first step is to consider the five components and determine the relative importance of each component. Are they all equally important, or is one or more components considered critical? Depending on your business, addressing this question could possibly determine what types of leads you will buy and who you will buy them from.

To illustrate, the Committee surveyed advertisers in various industries and asked them to rank the five components in order of their relative importance and impact on overall lead quality. The results are listed below:

Advertiser - Education	
Category	Rank
Consumer Motivation	1
Data Verification	2
Lead origination	3
Age of Lead	4
Exclusivity	5

Advertiser - Healthcare	
Category	Rank
Consumer Motivation	1
Exclusivity	2
Data Verification	3
Age of Lead	4
Lead origination	5

Advertiser - Insurance	
Category	Rank
Consumer Motivation	1
Lead origination	2
Data Verification	3
Age of Lead	4
Exclusivity	5

Advertiser - Mortgage	
Category	Rank
Data Verification	1
Consumer Motivation	2
Lead origination	3
Age of Lead	4
Exclusivity	5

As evidenced by the above tables, all of the advertisers felt lead quality is heavily influenced by the consumer motivation for submitting the lead form. Conversely, the exclusivity of the lead is generally not as significant a factor in determining the overall lead quality.

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For lead aggregators and ad networks, the rankings are quite different, as shown here:

Lead Aggregator/Portal		Ad Network	
Category	Rank	Category	Rank
Consumer Motivation	1	Age of Lead	1
Age of Lead	2	Data Verification	2
Lead origination	3	Lead origination	3
Data Verification	4	Exclusivity	4
Exclusivity	5	Consumer Motivation	5

Lead Aggregators generally felt that consumer motivation is critical to overall lead quality, as is getting the lead to the advertiser as rapidly as possible. On the other hand, Ad Networks may place relatively little importance on the consumer motivation, but be highly motivated to deliver real-time leads that have been through some sort of data verification process.

Assigning Weights to the Components

Once you have ranked the five components based on your business requirements, you can then assign a weight multiplier to each component. This will essentially regulate how much influence each component will have on an overall lead quality score. For example, if “Lead Exclusivity” is ranked as the least important component and it has a low score on its 10-point scale, that low score will not drag the entire lead quality score down if the other components have high scores.

An effective model is to basically determine the percentage of each component’s impact on the overall score and then multiply the score for each component by that percentage. The advantage of this model is that the resulting score will always be on a 10-point scale. This model is outlined below.

Advertiser - Mortgage				
Category	Rank	Weight	Best Score	Worst Score
Data Verification	1	35%	3.50	0.00
Consumer Motivation	2	25%	2.50	0.00
Lead origination	3	18%	1.80	0.00
Age of Lead	4	17%	1.70	0.00
Exclusivity	5	5%	0.50	0.00
		100%	10.00	0.00

In this example, an advertiser in the mortgage industry has ranked data verification as the most important component of lead quality, and has assigned a percentage of 35% to the overall lead quality score. At the other end of the spectrum, “Lead Exclusivity” ranks fifth and has only a 5% influence on the overall lead quality score.

Deriving a Lead Quality Score

After applying percentages to the five components, you can easily calculate a total Lead Quality Score by plugging the component scores into your model. This will calculate an overall score on each individual lead. To demonstrate, let's use the percentage model we discussed above.

Advertiser - Mortgage						
Category	Rank	Weight	Best Score	Worst Score	Component Score	Actual Score
Data Verification	1	35%	3.50	0.00	7	2.45
Consumer Motivation	2	25%	2.50	0.00	6	1.50
Lead origination	3	18%	1.80	0.00	8	1.44
Age of Lead	4	17%	1.70	0.00	10	1.70
Exclusivity	5	5%	0.50	0.00	10	0.50
		100%	10.00	0.00	LQS =	7.59

In this example, we entered the component scores and multiplied each score by its associated percentage. This resulted in an overall Lead Quality Score (LQS) of 7.59 on a 10 point scale.

Applying the Lead Quality Score

A Lead Quality Score can be a very powerful tool as you measure the effectiveness of your Internet lead operations. Below are a few examples of how you can use a Lead Quality Score in your business.

Prioritizing and Assigning Leads. You can use a Lead Quality Score to prioritize the order in which you follow up on the leads you buy. Leads with a high LQS can be moved to the front of the queue, since they may have the highest likelihood of conversion. Moreover, you can optimize your operations by setting guidelines on how many attempts your sales force will make to reach a prospect based on that leads LQS. If a lead has a low LQS, you may want to limit the number of attempts since the likelihood of conversion is lower and you are using resources that could be working on higher probability leads. Finally, you can also use an LQS to assign leads to specific sales agents or to present custom offers to prospects with a high LQS. This means you can have the right agent making the right offer to the right prospect, resulting in higher conversions with more efficient sales efforts.

Measuring Lead Sources. Another potential use of an LQS is to measure your lead sources. You can compare the scores for leads from each source and make informed decisions on where you want to focus your advertising budget. This can also be a useful tool when you negotiate pricing with your lead sources. Finally, you can set minimum LQS requirements that a lead source must adhere to in order to keep their status as one of your lead sources.

About IAB

Founded in 1996, the Interactive Advertising Bureau (IAB) represents over 250 leading interactive companies that are actively engaged in, and support the sale of interactive advertising. IAB members are responsible for selling over 86% of online advertising in the United States. On behalf of its members, the IAB evaluates and recommends standards and practices, fields interactive effectiveness research and educates the advertising industry regarding the use of interactive advertising. For more information, please visit www.iab.net.

About IAB Lead Generation Committee

The mission of the IAB Lead Generation Committee is to define best practices that ensure lead quality and improve conversion; and, educate marketers and agencies on lead generation/customer acquisition as a cost-effective vehicle for advertisers to drive high quality customers. The committee will also evangelize lead generation targeting new industries not utilizing lead generation today.

IAB Lead Generation Committee Members

24/7 Real Media, Inc.	Cox Newspapers, Inc.	Permission Data
360i	Edmunds.com	PointRoll
Active Response Group	Enpocket	Q Interactive
Advanstar Communications, Inc.	Geary Interactive	Return Path
Advertising.com	GSI Commerce	SendTec
Alansis Media	IDG	TARGUSinfo
AOL	Innovation Ads	TMP Directional Marketing
AtomShockwave Corp.	iVillage, Inc	Univision Online
Autobyte Inc.	Move, Inc.	ValueClick, Inc.
Blue Lithium	MSN	VendareNetblue
CMP Media LLP	NextAction	WebTrends
Commission Junction (ValueClick)	Organic Inc.	



Interactive Advertising Bureau

Marketer & Agency Guide to Online Lead Generation

A cost effective vehicle for generating online leads, building relationships, and increasing sales.

Released September 19, 2006

Executive Summary

This document reviews the definition of lead generation and outlines the nuances of online lead generation in specific categories.

People sometimes compare lead generation to search and display ads and believe that lead generation creates low quality leads. This document differentiates the right way to do online lead generation that produces the high quality leads media buyers are looking for.

Online Lead Generation Defined

Online Lead Generation is fees advertisers pay to online companies that refer qualified purchase inquiries (e.g., auto dealers which pay a fee in exchange for receiving a qualified purchase inquiry online) or provide consumer information (demographic, contact, or behavioral) where the consumer opts into being contact by a marketer (email, postal, telephone, fax). These processes are priced on a performance basis (e.g., cost-per-action, -lead or -inquiry), and can include user applications (e.g., for a credit card), surveys, contests (e.g., sweepstakes) or registrations. According to the PwC IAB Revenue Report, 2005 Online Lead Generation Revenues equaled an estimated \$696 million.

Who is using Online Lead Generation?

There are many category verticals that use online lead generation effectively. These include: automotive, consumer package goods, dating, education, health or other insurances, mortgage, pharmaceutical, retailers, technology (electronics/computing), and travel. This document will review in detail how a few of these verticals effectively use online lead generation and its benefits in each.

Automotive

Audience Acquisition Models: Most sites use a variety of acquisition strategies to attract consumers, but this mix can be a determinant in the quality of the leads submitted by them. Below is a list of different methods and their possible impact on the audience.

- **Free Search:** To achieve a high ranking, the site needs to be considered a subject matter expert because of the depth of its content. These sites tend to draw researchers or brand loyal consumers.
- **Paid Search:** Because of the cost involved, sites tend to drive the visitor to a conversion page. Thus, the visitor does not have the opportunity to “cook.”
- **E-mail Based Advertising:** This method may draw in visitors that are not actively shopping or may be higher in the purchase funnel.

Pre-lead Process

- **Quick Quote:** This is a very short process where the call-to-action drives visitors directly to a lead form.
- **Configuration:** This is a longer process where there are a couple of steps prior to the lead submission. This process may provide the dealer with greater insight into the submitter's preference. There are three general configuration models:
 - User Selected: Provides the visitor with options from which the visitor can select.
 - Full Configuration: Detailed process where a visitor selects all of the options desired with logic that resolves conflict.
 - Light Configuration: Process that is similar to the full configuration but the logic is not as detailed. This process may not result in a purchasable vehicle.
- **Other:** In addition to the configuration process detailed above, there are other processes that a lead process may be wrapped within such as pricing, used vehicle appraiser, financing, etc.

Lead Form Placement: Another important thing to take into consideration is the relative placement of the lead form in the site. For example, how many clicks does it take to get the visitor to the form?

- **Immediate Audience Conversion:** Attempts to convert the visitor to the form with the fewest number of clicks possible.
- **Content Filter:** Promotes the lead process in the areas where the most in-market consumers are expected to be.

Partner Model: One of the key decisions that the site needs to make is whether to promote a partner or the ultimate client (dealerships).

- **Partner-centric:** Consumer submits a lead without knowing to which dealer it will be placed. There is some temptation for the site that generates the lead to place it with multiple partners. The lead purchaser has some degree of ownership of the consumer since the lead is only placed to one dealership/partner.
- **Dealer-centric:** Consumer decides which dealership they want to receive their information. The placement of the lead is constrained because the consumer will know if the lead was not placed as they specified. It is very difficult to "own" a consumer because there are multiple clients presented to the consumers and each client may not have equal business terms.

Form Design: This consideration is relatively straight-forward, but each site designs the form with slight differences which may impact the quality of the lead.

- Fields
- Required/Optional
- Front-end Validation

Post-lead Submittal Process

- Validation Process
 - Data integrity
 - Duplication rules
- Partner Selection Logic
- Lead Values
- Transition
 - Post
 - Ping/Post
 - E-mail

Customer Management

- **Cost:** A big point of consideration. Dealers tend to get a mix of leads at a variety of different prices and the dealers tend to respond to ones with the highest cost first.
- **Number of Partners:** Figure out from how many partners they source their leads. Each source may mean a new system to manage the leads.
- **Sales Staffing:** Figure out who will be responsible for responding to the lead. Will it be a full-time internet manager or a floor sales rep? Decide if you want your best or worst person responding to the leads.
- **Customer Contact Strategy:** Possibilities include encouraging customers to “come on down” and visit the dealership, calling customers regardless of their contact preference, or offering a price on the vehicle they requested and asking for more information.
- **Management of Lifetime Value:** Many customers will not buy within 30 days, so figure out how to manage these customers through the purchase funnel.

CPG

Consumer Acquisition Models:

Consumer Packaged Goods (CPG) companies collect detailed consumer data to better qualify consumers for their customer relationship management strategies. Their strategy is to build a large database of loyal customers and/or drive new product trial.

In most cases, a newsletter sign-up, sweepstakes, contest, coupon, or free sample is offered to the consumer in exchange for sharing their personal information with the CPG marketer.

CPG companies collect full name, address and e-mail as well as explicit permission to contact the consumer for ongoing communications. More customizable contact forms allow more detailed data to be collected. Data may include: demographics (gender, age), lifestage (married, number/gender/age of children), lifestyle (own home, income), category consumption (purchase frequency), and brand loyalty data (competitive purchase history).

Below are two consumer acquisition vehicles that CPG companies utilize to collect information:

- **Co-registration** – A simple checkbox sign-up presented during a registration process allows CPG companies to receive basic data about consumers. Basic data includes full name, address, and e-mail. Marketers use this data to build a database of interested consumers and send periodic newsletters and e-mail communications to them to increase brand awareness and loyalty.
- **Online Consumer Acquisition** – A longer, customizable contact form allows CPG companies to receive detailed consumer data and use it to improve their marketing efforts. The form may include questions on demographics (gender, age), lifestage (married, number/gender/age of children), lifestyle (own home, income), category consumption (purchase frequency), and brand loyalty data (competitive purchase history). Marketers may use this data to segment consumers into groups in order to send more relevant, customized future e-mail communications or personalized samples.

Pre-acquisition Process:

- **Co-registration** – When consumers register with a Web site, they are presented with several offers. When selecting a CPG offer, consumers consent to share their name, address and e-mail with the company, and agree to receive future e-mail communications.
- **Online Consumer Acquisition** – When consumers visit partner Web sites, they are presented with several offers. When selecting a CPG offer, consumers consent to share their name, address and e-mail with the company, along with more customized information on a longer form such as demographics, lifestage, lifestyle, category consumption, and brand loyalty data.
- **CPG Web sites** – Consumers may visit CPG Web sites, where they are presented with a form that is customized to collect detailed consumer information for future e-mail communications.
- **E-mail** – Consumers may be sent e-mail from e-mail marketing companies, where consumers click through and land on the contact form. Consumers are then asked to provide their contact information to the CPG company for future e-mail communications.

Acquisition Form Placement:

For online consumer acquisition, the contact form is immediately presented to consumers after they express interest. It takes a maximum of two clicks to reach the form. All major CPG companies have their own Web sites, where lead forms are also presented. Often, a newsletter sign-up, sweepstakes, contest, coupon, or free sample will be offered as an incentive to fill out the form.

Partner Model:

Creative elements must be flexible to meet the requirements of different partner sites. For example, the size of the logo could be as small as 75x30 to as large as 500x300 on the form.

Form Design:

- Highly branded creative on form. Flash or video may be employed.
- Links to Privacy Policy and Terms & Conditions may be included on the form.
- First name, last name, address and e-mail are basic required fields.
- Separate opt-in checkbox gains e-mail marketing permission from the consumer.
- Additional opt-in checkboxes may be added to gain e-mail marketing permission for other brands under the “master brand”.
- Core demographics like gender and age are typically required fields.
- Lifestage (married, number/gender/age of children), lifestyle (own home, income), category consumption (purchase frequency), and brand loyalty data (competitive purchase history) may be optional fields.
- Dynamic fields may be employed on the form. For example, the CPG company may ask which brands the consumer frequently purchases, and then based on the brands selected, new questions will appear dynamically for the consumer to answer.
- Creative testing may be used to improve acquisition rates. One test may be to test using a premier brand as the hook to opt-in to specific newsletter programs that don't have as strong brand awareness.
- Secure coupon may be printed immediately following form submission on the partner site or via a triggered e-mail.

Post-Consumer Acquisition Submittal Process:

- Data validation on fields should be included prior to receiving consumer data. Validation may include CASS-certified physical address verification, e-mail syntax validation, and profanity and bogus name filters.
- “Own user” scrubbing may be requested prior to receiving consumer data. For example, the CPG company may ask partners to not send consumers who are not already users of their product.
- A triggered confirmation e-mail may be sent to the consumer immediately after offer selection, confirming their submission and desire to be contacted by the CPG company. The first contact offers immediate opt-out. Additional information is conveyed such as the value of joining or details regarding the specific offer.
- Daily or weekly batch lead delivery is acceptable; real-time lead delivery is often not needed.
- De-duplication to the CPG company's database/house list may be requested. However, there is value in duplication since the CPG company can replace old, undeliverable e-mail addresses with new, deliverable e-mail addresses.

Customer Management:

- Cost: Cost varies depending on the number of fields the CPG company requires and on the quality of consumers delivered by the partner. The more validation upfront, the higher the quality and the higher the cost per acquisition the CPG company is willing to pay.
- Targeting & Segmentation: More and more CPG companies are using advanced targeting and segmentation to qualify consumers. For example, top partners will create custom segmentation models based on the CPG company's most valuable or “golden” customer profiles. Contact forms will only be shown to consumers who meet those pre-defined attributes, increasing the likelihood

that consumers delivered will convert into valuable customers. Continuous data sharing of most loyal customers between the CPG company and the partner is mandatory.

- **Follow-up:** Consumers are added to the company's database on a daily or weekly basis. Follow-up is immediate in the form of an e-mail, which in many cases may be sent from the partner, confirming the consumer's submission and desire to be contacted by the CPG company. The first contact offers immediate opt-out. Additional information is conveyed such as specific offer details or the value of joining the company's database.

The next follow-up is typically a Welcome e-mail sent from the CPG company that reiterates the value of joining and may ask to collect additional consumer preferences.

Ongoing communication from the CPG company with the consumer is typically in the form of weekly or monthly newsletters that are highly branded and focus on product information, new product introductions, surveys, household tips, recipes, sweepstakes, contests, and free samples to engage consumers in the brand. Newsletters also cross-sell complementary brands to buyers of the "master brand".

Competitive usage information collected in the form may be used to:

- 1) Identify competitive users and urge them to switch by offering a high value coupon or other incentive.
- 2) Identify the brand's most loyal users and urge them to continue their behavior by offering a lower value coupon or other incentive.

Direct mail may also be sent periodically.

- **Long-term ROI:** Consumer acquisition for CPG companies isn't necessarily ROI-driven. Their strategy is to build long-lasting relationships with consumers through the various lifestages of their relationship with the brand by keeping a valid e-mailable address on file. However, some CPG companies use consumer acquisition as a strategy to contact people to purchase the new product on the brand's Web site.

Dating

Audience Acquisition Models: Originally, there were only a few sites in the lead generation space that catered to a mass audience. Recently, the dating vertical has become more saturated and competitive. This has driven marketers to focus their efforts on niche target groups such as Jewish, Christian, Latin, and Asian. Also, many sites are forming their "brand" as the "serious mature" dating channel or the "fun date" resource by linking personalities and trying to acquire new members.

Lead Process

- **Dating Profile:** This detailed process is required by most sites. It is usually a 4-6 page process (although some sites, such as eHarmony, ask for an elaborate profile that is quite lengthy) that helps personalize the user's experience. The profile usually includes a mix of the following fields which are all user selected:
 - Basic demographics
 - What you are looking for (male, female, long term relationship, physical characteristics, etc.)
 - Physical characteristics of the subscriber
 - Ethnicity
 - Personal attributes/religious orientation
- **Thank You Page:** This completes the initial profile process. Most sites will offer the user a free 7-day trial where the site will introduce the user to people who match their profile. At this time, sites will ask the user to enter their credit card information to confirm registration and complete the sign up.

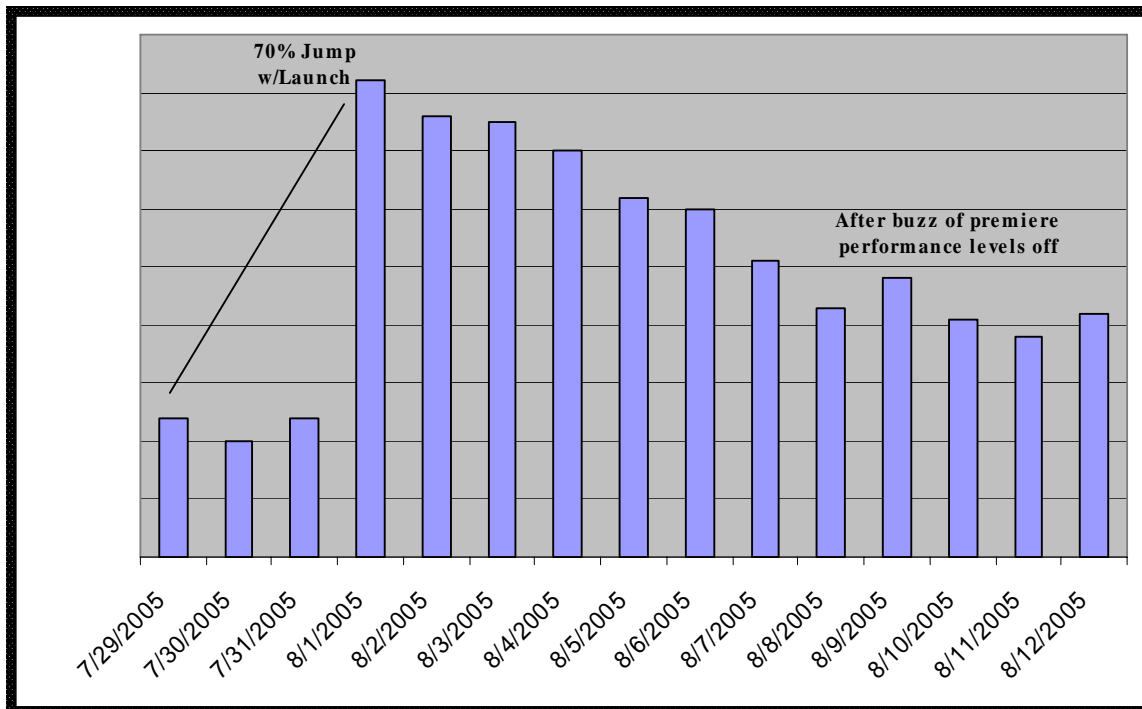
- **Final Registration:** Post 7-day trial, the user has the ability to cancel or sign up for monthly, quarterly, or yearly packages. Sites also attempt to up-sell customers with features that are not offered in basic packages.

Customer Management and Retention: With increasing competition, the key is to retain customers and have them make a long-term commitment. Once the sites receive consumers' registration, they continue to market to them via newsletters and e-mails. Sites follow up with quarterly and seasonal promotions to build interest and remind the users what they are offering.

Also, sites are forced to constantly update their features. They will introduce features such as picture and video uploading capabilities, enhanced instant messages, and full service e-mail so that customers are motivated to stay with them and renew their memberships.

Case Study: In late July, 2005, we started running a top tier dating campaign exclusively throughout our Lead Generation Network. We launched the campaign using the following vehicles:

- Top tier search engines
- Contextual networks
- E-mail marketing
- In-page ad units across top tier ad networks
- Affiliate marketing



Overall performance was satisfactory to start, with daily lead totals similar to other dating campaigns we run. In early August the campaign was launched. With the opening of the campaign, we used a movie premiere promotion and our conversions increased dramatically. We saw the daily lead total jump almost 70% and stay there for the week of the launch. This was a direct result of the buzz of the movie.

These results were consistent with many of our clients because when our Lead Gen campaigns run simultaneously with customers' offline activity, conversions spike. Dating is no different.

The dating audience tends to be made up of early adopters who absorb media across all vehicles.

It is imperative that Lead Gen campaigns remain conscious of the target media's consumption and stay in constant communication with the client throughout the process.

Education

Audience Acquisition Models:

- **Types of programs available:**
 - Continuing education classes/GED
 - Ground campus programs
 - Online degree programs
 - Graduate and post-graduate degrees
 - Corporate training
 - Vocational schools
 - Professional certificates
 - Education financing
 - Test preparation
- **Methods of acquisition:**
 - University's Landing page
 - Micro sites: Custom sites built for the sole purpose of driving leads to the university. These sites are always branded according to the particular university guidelines.
 - Portals: Enable potential students to easily and quickly submit information to multiple universities in the selected degree level and field.

Pre-lead Process

- Most micro sites and university forms are very visible on the main landing page. No further call to action is required. Most times there is little if any general information on the university itself. Instead, there is information regarding degrees at the university. Regardless of how or what information is displayed, the main form will always be present on the landing page.
- Portals try to provide the user with the most universities possible that match the potential student's skill set.
 - Index Portals: Ask the user to select the degree level and area of interest. The user will then be shown all the universities that fall into this category.
 - Sequential Portals: Show users all possible results like index portals, but then is asked to either submit information to the shown school or skip to the next university. The manual selection process of the index portal is eliminated.

Lead Form Placement: The form should be easy for the user to quickly fill out. Additional information related to the university increases conversions.

Some forms are broken up into multiple steps that separate name/address information from educational experience and requested degree information. Ground schools filter via zip code and address.

Partner Model: A big restriction on partnerships relating to education lead generation is that universities are sometimes very sensitive to the way they are described by others. Universities will often want complete control of content to maintain their reputation and brand and keep track of frequently changing programs.

Content integration is becoming a bigger player as well. This means partnering with sites and offering educational searches embedded in the content (similar to what MSN does with CareerBuilder.com on their careers section). The down side to this is that most user generated content owners (like Myspace) will want their users to be able to comment freely on any school and their experience at the schools. Universities will not allow this as they

Form Design: This varies depending on network. Most networks find a way that works for them and implement it across all of their universities. Whether it is breaking up the form into two steps or pre-qualifying the user before asking for personal information, it is all a matter of making the implementation work for the network and the university.

Post-lead Submittal Process: Again, university leads are highly sensitive. Some universities will respond to a potential student within three minutes of submission. It is in their best interest to contact students as soon as possible, whether by e-mail or by phone, and retain the user's interest until an application can be filed.

1. Online lead submission
2. E-mail contact
3. Counselor phone call to potential student
4. Application filed
5. Interview
6. Enrollment

Customer Management: Metrics measured by the university:

- **Conversion Rate**: Leads applied divided by total leads delivered
 - $(97/600 \text{ total leads} = .16)$ 16% conversion rate
- **CPA (cost per applied)**
 - Actual cost to produce an application or appointment with school
 - Mostly used by offline schools (school counselors have more accountability to close once a user applies)
- **CPE (cost per enrollment)**
 - Actual cost to produce an enrollment
 - Buy amount (\$) divided by total enrollments ($\$50,000/47 \text{ enrollments} = \$1,063$)
- **CPS (cost per start)**
 - Almost the same as CPE, but in this instance the CPE substitutes for the cost per applied and performance is measured on students that actually begin their schooling.
- **Management of Lifetime Value**: Many customers will not buy within 30 days, so figure out how to manage these customers through the purchase funnel.

Mortgage

Audience Acquisition Models: For generating organic leads (i.e. not buying leads from another broker), most publishers use a variety of acquisitions strategies to attract consumers. This mix of strategies can be a determinant of the quality of the leads submitted by them. Below is a list of different methods and their possible impact in the audience:

- **Free Search:** To achieve a high ranking, the site needs to be considered a subject matter expert because of the depth of its content. These sites tend to draw researchers or brand loyal consumers.
- **Paid Search:** Because of the cost involved, sites tend to drive the visitor to a conversion page. Thus, the visitor does not have the opportunity to “cook.”
- **E-mail Based Advertising:** This method may draw in visitors that are not actively shopping or may be higher in the purchase funnel.
- **Affiliated Marketing:** Allows affiliate networks to drive conversions through their publisher partners. Precautions must be taken to avoid loss of control in media placement and call-out messaging so that they can ensure the leads are only from consumers actively wanting mortgage information.
- **Online Advertising:** Similar to paid search in that a consumer is driven through a landing page, typically after a click, to complete the lead right away.

Pre-lead Process

- **Short Form:** Many lead generators look to maximize conversion rates by asking for a minimal number of fields that are required to qualify for a certain mortgage. Lead type, self-reported credit rating, loan amount, and contact information are included here.
- **Long Form:** Other lead generators ask for more information about the home such as other financial information, social security number, and other details that provide more insight into the desired loan. This raises the value of the lead.

Lead Form Placement: Another important consideration is the relative placement of the lead form in the site. For example, how many clicks does it take the visitor to get to the form?

- **Immediate Audience Conversion:** Attempts to convert the visitor to the form with the fewest number of clicks possible.
- **Content Filter:** Promotes the lead process in the areas where the most in-market consumers are expected to be.

Partner Model: Publishers have the option to partner with a lead generation provider or allow aggregators to drive leads themselves through media placement.

- **Partner-centric:** Consumer submits a lead via the publisher’s own branded landing page.
- **Aggregator-centric:** Consumer submits a lead via an aggregator’s site, driven from display or search advertising. Some sites are mostly unbranded, which causes concern for certain consumers who worry about where their data is being distributed and sold. Many of these aggregators, however, have very sophisticated buyer networks of advertisers to provide many matches for the consumer. On the other hand, some aggregators match/sell these leads more than the standard 4x maximum.

Form Design: This consideration is relatively straight-forward, but each site designs the form with slight differences which may impact the quality of the lead.

- Fields
- Required/Optional
- Front-end Validation

Post-lead Submittal Process

- Validation Process
 - Data integrity
 - Duplication rules
- Partner Selection Logic
- Lead Values
- Transition
 - Post
 - Ping/Post
 - E-mail

Customer Management:

- **Cost**: A big point of consideration. Lenders tend to get a mix of leads at a variety of different prices and the lenders tend to respond to ones with the highest cost first because those are proven and/or perceived to be the ones of the highest quality.
- **Number of Partners**: Figure out from how many partners they source their leads. Each source may mean a new system to manage the leads.
- **Sales Staffing**: Figure out who will be responsible for responding to the lead. Will it be a full-time internet manager or a loan officer? Decide if you want your best or worst person responding to the leads.
- **Customer Contact Strategy**: Possibilities include trying to move to application quickly and/or ensuring that a lead is sold on the most profitable mortgage possible for the lender. Overaggressive tactics can be a turn off to consumers and border on ethical and legal issues.
- **Management of Lifetime Value**: Many customers will not fund a loan within 30 days, so figure out how to manage these customers through a funnel. Also decide how to optimize cost per funded loan for a refinance/short-term loan vs. a new home purchase/long-term loan.

Technology

Audience Acquisition Models: The vast majority of technology products that utilize lead generation tend to be portable electronic devices or web-based services. Therefore, marketers tend to use longer lead processes that have the dual purpose of education as well as lead capture.

- **Paid Search**: Keyword advertising is used to drive potential buyers of commonly known products but has limitations with products and services that are truly new and unique. Acquisition approaches tend to be less educational and more price related. Due to the cost, most approaches tend to drive consumers to price comparison sites where many products are featured.
- **Email Marketing**: This method can be useful when extensive demographic/ geographic targeting is necessary. However, it may not reach consumers who are actively shopping.
- **Post transactional advertising**: This is an ideal approach for, as an example, downloads/web-based services as it targets those who are comfortable downloading software from the internet after they download something else and are still actively engaged. The same holds true for email newsletters (post newsletter sign up) and targets only those active users who are qualified and comfortable receiving this media.

Pre-lead Process

- **Email newsletter:** A short form with name and email fields used to build prospect databases where the manufacturer can further educate and cross-sell items which have mid to high price points.
- **Two-Step Qualification:**
 - Step 1. A short form is used first to determine whether the user is within the area of coverage, has the appropriate operating system, etc.
 - Step 2. If the user is qualified, they move onto the more detailed form for lead capture.

Often a Free Trial is offered with web-based services. If the user is not the ideal target they are directed to newsletter sign up form so they can be informed of product updates.

Form Design:

- Generally very branded creative with one or two lines stating the value proposition.
- Privacy policy link.
- Opt-in check boxes for email, phone.
- First name, last name, address and e-mail are basic required fields.
- Creative testing is often used to improve acquisition rates.

Post-lead Submittal Process

- Data validation on all contact fields should be performed in real time by vendor. Publisher ID should be captured to further optimize campaign based on backend results. Call Confirm, or a system that auto-dials leads and provides opt-out instructions, is best for call center leads.
- The more rigorous the validation performed upfront, the higher the quality and the higher the cost per acquisition the marketer can pay.
- Providing feedback is imperative to optimizing a campaign. It is crucial to understand the key metrics prior to running a campaign and to have the ability to provide record level feedback. This will allow for differentiation of good sources from bad- even down to the sub-affiliate level.
 - Consumers are added to the company's database on a daily or weekly basis. Follow-up is immediate in the form of an e-mail, which in many cases may be sent from the partner, confirming the consumer's submission and desire to be contacted by the company. The first contact offers immediate opt-out. Additional information is conveyed such as specific offer details or the value of joining the company's database.

Travel

Audience Acquisition Models: The travel industry is unique in that different players require varying amounts of consumer information to achieve their business goals. Large travel agencies usually seek only consumer name and e-mail so they can e-mail their newsletters. Other niche players in the travel industry may require additional information such as phone numbers, mailing addresses, and interests. Below are two ways to generate interest in travel offers:

- **Co-registration:** Allows travel marketers to quickly build their in-house e-mail list. Consumers opt-in to offers they are interested in and their contact information (usually name, e-mail address, and sometimes postal address and phone number) is supplied to the marketer. Large travel agencies utilize co-registration mainly to generate subscribers to their e-newsletter.
- **Online Lead Generation:** Niche travel companies (such as luxury, adventure, ecotourism, etc.) often present consumers with a branded full-page form asking the consumer for personal contact information as well as additional custom questions about their interests to further qualify the prospect.

Pre-lead Process

- **Co-registration** leverages the website registration process. After a consumer registers with a website, he/she is presented with a list of offers. By selecting a travel agency's offer, the consumer consents to receiving marketing communication from that company.
- Through various marketing tactics, prospects are presented with a list of relevant offers or a specific landing page based on their search criteria. This gives the marketer the flexibility to creatively design their offer and acquire a more complete profile of prospective customers.

Lead Form Placement: The lead form is immediately presented to the consumer after he/she expresses interest. It takes a maximum of two clicks to reach the lead form.

Partner Model: Creative elements must be flexible to meet the requirements of different partner sites. Some sites present their offers with different image sizes so travel marketers should provide images and text to meet the needs of all partners.

Form Design: Lead form design has a lot of flexibility. A travel marketer has the ability to create a custom-made landing page or allow the site to build it for them. Conversion rates and lead quality depend on:

- Form design
- Required data fields
- Whether answers to custom questions exclude prospects based on their answers
- Level of data validation

Post-lead Submittal Process

- Data validation and de-duplication process
- Data delivery
 - Real-time
 - E-mail
 - Batch

Customer Management:

- **Cost:** Cost fluctuates depending on the amount of data the travel company requires and on the lead's placement on sites.
- **Follow-up:** Figure out how many leads the company can handle, how will they follow-up (e-mail, direct mail, phone), and how quickly/at what frequency you will communicate with your leads.
- **Long-term ROI:** Lead generation is not a short-term revenue-generator. Travel marketer may not see a significant ROI for one, three, or six months after they start using lead generation. It is important for marketers to continually market to consumers and to develop strategies (both online and offline) to continually find out what consumers are interested in. Based on those interests, they can then personalize communication with their consumers. This is a long-term strategy that requires a great deal of patience.

About IAB

Founded in 1996, the Interactive Advertising Bureau (IAB) represents over 250 leading interactive companies that are actively engaged in, and support the sale of interactive advertising. IAB members are responsible for selling over 86% of online advertising in the United States. On behalf of its members, the IAB evaluates and recommends standards and practices, fields interactive effectiveness research and educates the advertising industry regarding the use of interactive advertising. For more information, please visit www.iab.net.

About the IAB Lead Generation Committee

Mission

The mission of the IAB Lead Generation Committee is to define best practices that ensure lead quality and improve conversion; and, educate marketers and agencies on lead generation/customer acquisition as a cost-effective vehicle for advertisers to drive high quality customers. The committee will also evangelize lead generation targeting new industries not utilizing lead generation today.

Committee Leadership

Gayle Guzzardo, Q Interactive, Co-chair

Mark Zahar, Prospectiv, Co-chair

Committee Participants

Adam Turinas, Organic Inc.

Kerry Gagliardo, iVillage, Inc

Amanda Whiteman, Advertising.com

Kimberley French, Aptimus

Angie McCloskey, SendTec

Krishna Subramanian, Blue Lithium

Ari Bluman, 24/7 Real Media

Kristen Terzo, GSI Commerce

Arthur Wang, Vendare Media

Lauren Weinberg, Advertising.com

Arul Sundaram, AOL

Mai Wah Cheung, Univision Online

Avishan Hodjat, ValueClick, Inc.

Mark Garms, Autobyte Inc.

Ben Kopetti, Commission Junction
(ValueClick)

Mark Zahar, Prospectiv

Cherry Javier, Move, Inc. (formerly
Homestore, Inc.)

Micah Ouellette, SendTec

Chris Mak, AtomShockwave Corp.

Michael Lastoria, Innovation Ads

Dave Wengel, TARGUSinfo

Michael Marchese, Leapfrog Online

Dennis Malaspina, Return Path

Michael Mayor, Aptimus, Inc.

Eric Bamberger, 360i

Michael Sullivan, Aptimus, Inc.

Eric Obeck, SendTec

Michael Zane, CMP Media LLP

Fred Collins, Edmunds.com

Paul McLenaghan, TARGUSinfo

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IAB Lead Generation Data Transfer Best Practices

Released August 15, 2007

Developed and endorsed by the following members of the IAB Lead Generation Committee:

360i
Active Response Group
Cox Newspapers, Inc.
Edmunds.com
Geary Interactive
IDG
Innovation Ads
Jordan Edmiston Group, Inc.
Motive Interactive Inc.
Move, Inc. Related Services
NextAction

Permission Data
PointRoll
Q Interactive
Reed Business
Return Path
SendTec
TARGUSinfo
The AMC Group
ValueClick Media
Vizi Media
WebTrends

Executive Summary

The IAB Lead Generation Committee (the “Committee”) has developed this document to educate advertisers/marketers who purchase lead generation services (“Advertisers”) and companies providing lead generation services to those Advertisers (“Providers”) on security and operational best practices regarding transfer of lead information.

These Best Practices have two main considerations:

- 1. SECURITY – All lead generation data should be transferred and received in an encrypted format**
- 2. COMMON FORMAT AND SETUP – All lead generation data should be transferred in a common format via common, secure internet technologies**

OVERVIEW

This document will outline (1) the benefits of the Committee’s recommendations, (2) current and emerging state and federal laws, rules, and regulations for lead generation and data transmittal practices, (3) proposed standards for the handling of consumers’ Personally Identifiable Information, and (4) a step-by-step method for receipt of data, along with the common field names to be used.

The absence of lead generation guidelines makes compliance with applicable laws, rules, and regulations more difficult. Therefore, these Data Transfer Best Practices have been written to improve the security of consumers’ Personally Identifiable Information, standardize lead transmittal practices, and improve operational efficiencies for the benefit of Advertisers, Providers, and ultimately, consumers.

In addition, many Advertisers are currently not equipped to receive data in an encrypted format. The Committee encourages Advertisers to adapt their systems to enable receipt of leads from Providers in accordance with the best practices set forth below. The Committee also encourages Providers to be equipped to transfer data in an encrypted format to those Advertisers already capable of receiving data in such a manner.

OBJECTIVES

The IAB Lead Generation Committee’s goals in creating this document are:

- 1) To standardize the transfer and receipt of data between Advertisers and Providers in an encrypted format, where the safety and integrity of consumers’ Personally Identifiable Information is assured;
- 2) To assist Advertisers and Providers in complying with all existing and emergent laws, rules, and regulations at both the state and federal levels; and
- 3) To improve operational efficiency by encouraging the standardization of the formats and materials used by Advertisers to receive Data from Providers

IAB Lead Generation Data Transfer Best Practices

IMPORTANT NOTE: This document focuses on the transfer of data between a Provider and an Advertiser. It does not cover the full lifecycle of lead generation and usage, which would also include stages such as data collection and storage by both Provider and Advertiser.

Encryption and Security Best Practices

All Advertisers should receive data in an encrypted format in order to comply with all laws and ensure the security and privacy of the data. In addition, Providers should be able to offer full support to Advertisers by always delivering data encrypted to those Advertisers with the capacity to accept data in an encrypted format.

Providers' ability to transport the data in an encrypted format can be limited by whether Advertisers have the technological capacity to accept it. The Committee recommends that, wherever possible, Providers try to encourage their clients to adopt technology that is capable of accepting data in an encrypted format.

DATA ENCRYPTION RECOMMENDATION: REAL-TIME DATA

The Committee recommends that best efforts be made to transfer data in real-time, and that all real-time transfer of data be done with encryption equal to or greater than 128-bit SSL encryption (through HTTPS web services, etc).

DATA ENCRYPTION RECOMMENDATION: BATCH DATA

The Committee recommends that, if real-time data transfer is not possible, all batch data be transferred via Secure FTP because it is the most practical of commercially available, cost effective, encrypted data transfer methods. Standard FTP does not use strong enough authentication to ensure proper security and is susceptible to "middle-man" interception of data. Secure FTP software improves the security of standard FTP technologies by using encryption such as SSL and X.509 certificates.

There are various providers of Secure FTP software but it is important to understand that not all solutions use the same encryption techniques and standards. There is some debate within IT professionals which software providers are better than others and it is up to each Advertiser or Provider to evaluate the merits of individual vendors. However, many software vendors are federally certified under the FIPS-140 requirements which may be considered strong security requirements. Vendors that have received FIPS-140 certifications can be found here:

<http://csrc.nist.gov/cryptval/140-1/1401vend.htm>

If Secure FTP is not possible, the only other method of batch data delivery recommended by the group is PGP or other public key-based cryptology protocols with a minimum of 128-bit encryption. Every file transferred would need to be encrypted via a PGP-like technology before it could be transferred using non-secure methods. This would require both parties to exchange public keys and can be more complicated than implementing a Secure FTP framework.

SAFE HARBOR LAWS AND ENCRYPTION

At the time of this writing, at least 38 states and the District of Columbia have laws that require consumer notification in the event of a data breach. Each state law has its own varying scope and complexities, creating an onerous burden for any online marketer, as well as potential confusion for consumers.

In addition, there is likely to be national legislation that could add to the compliance burden. However, all of the state laws and the proposed national legislation have one thing in common: a data encryption safe harbor. Although advertisers are expected to provide encryption that cannot be reasonably or easily compromised, implementing properly secure encryption eliminates the need for advertisers to manage multiple compliance requirements, streamlines operations, reduces the chances of data breach, and can provide additional protection in accordance with existing safe harbor laws.

It is important to note that the entire lifecycle of lead generation, including data collection, storage, and transfer for all parties involved must be considered when investigating Safe Harbor requirements.

IAB Lead Generation Data Transfer Best Practices

FOR MORE INFORMATION, PLEASE VISIT SOME OF THE FOLLOWING RESOURCES:

National Institute of Standards and Technology: Computer Security Resource Center
www.csrc.nist.gov

NIST's Risk Management Guide for Information Technology Systems
www.csrc.nist.gov/publications/nistpubs/800-30/sp800-30.pdf

Department of Homeland Security's National Strategy to Secure Cyberspace
www.dhs.gov/xlibrary/assets/National_Cyberspace_Strategy.pdf

SANS (SysAdmin, Audit, Network, Security) Institute's Twenty Most Critical Internet Security Vulnerabilities
www.sans.org/top20

Center for Internet Security (CIS)
www.cisecurity.org

Protecting Personal Information: A Guide For Business
<http://www.ftc.gov/bcp/edu/pubs/business/privacy/bus69.pdf>

Data Transfer Best Practices

Depending on the needs and technology of the client, the Committee has developed recommendations for improving the execution of both batch delivery and real-time delivery of leads.

DATA TRANSFER RECOMMENDATION: *REAL-TIME DELIVERY*

There are many methods that are currently being used by advertisers and companies for transferring leads in real-time. Currently the most ubiquitous method to transfer one or more records securely in real-time involves the use of HTTP and SSL. Because of this, **the Committee recommends that data be transferred via an HTTPS POST using Secure-Socket Layers (SSL) for security.**

The Committee also recommends the following:

1. Naming Conventions

The naming conventions found in the "Common Data Field Naming Best Practices" section should be followed as needed when selecting field names for the data to be transferred.

PERSONALLY IDENTIFIABLE INFORMATION (PII)

At the time of this writing, at least ed
Instilling confidence in consumers about their ability to transact with an advertiser's brand is a foundational element that supports the growth of interactive advertising, marketing and commerce. This confidence can be built along a number of dimensions, but none as critical as privacy and security.

Advertisers should be sensitive to the issue of consumer privacy and should limit their collection, combination, transfer or use of marketing data for the specific purpose(s) needed. Marketing data should be used only for marketing purposes. Again, the Committee recommends employing encryption-enabled protocols, like Secure Sockets Layer (SSL) or other similar encoding technologies, as a best practice when collecting and transferring customer data.

It is important to understand that all Personally Identifiable Information (PII) should be treated with the utmost seriousness and security (as per section "Encryption and Security Best Practices").

Additional considerations when dealing with PII include:

Advertisers should be guided by the reasonable expectations of confidentiality/privacy when transferring any combination of data that could identify a unique individual. **Specifically, all advertisers should**

2. Data Formatting

a) Name-Value Pairs

At the current time, name-value pairs are considered quick, efficient, and simple for all parties to implement and they are therefore the preferred recommendation for posting information. Name-value combinations using the naming conventions found in the “Data Field Naming Best Practices” section will create large operational efficiency gains for the largest number of partners.

b) XML

As the industry matures and more lead generation providers and clients are looking to improve operational efficiencies, a universal standard for passing data back and forth will simplify setup of vendors and allow both providers and clients to change their internal systems, databases, and technologies without disrupting the way data is transferred between parties. The eXtensible Markup Language (XML) was designed for this purpose and is a flexible, self-defining language for describing data. As such, the Committee recommends that data begin to be formatted using XML and begin exploring with their partners the use of an XML schema that follows the naming conventions found in the “Data Field Naming Best Practices” section.

3. Data Transfer

The data transfer should be accomplished in one step (within one “handshake”) and:

- 1) There should be no redirects to other pages
- 2) If it is necessary for multiple locations (post-to webpages, etc) and handoffs to be involved in the data transfer process (commonly referred to as “ping posts”) this should be handled by the receiving server.

4. Response Communications

The receiving server should always provide a recognizable response via HTTP that, at a minimum, indicates that the data was received. No visual formatting should be used (tables, CSS, etc.) The response format should be in either plain HTML or XML:

- a) If multiple records were transferred at once, an XML response is preferred with acceptance/rejection indicated for each record, using the primary key field as a unique record identifier.
- b) If XML is not used, then a response in HTML should be returned with a code that indicates if the record was received. Furthermore, if possible, the response should indicate whether the record was

abide by the promises made to consumers in their privacy policies. It is important to note that the Federal Trade Commission and state attorneys general have noted, time and again, that they view **an organization’s privacy policy like a contract between that organization and consumers.** Any violations of that contract are subject to actions from either or both the FTC and the various state attorneys general.

***Please note:** Advertisers who plan to adopt these Encryption and Security Best Practices should ensure that their operational activities support each statement made in their privacy policies before making any change to the content of those privacy policies. In other words, Advertisers’ actual business practices must match the content of their privacy policies in order to comply with applicable laws, rules, and regulations concerning on-line disclosures.*

Advertisers should take reasonable precautions to transfer this data in a manner that is consistent with the reasonable security expectations of consumers. Advertisers should rely on and abide by the notice they provide in their policies regarding transfer of PII to third parties (e.g., name, address, contact info, marketing preferences, and/or other data). Consumers should be provided with choice about the permitted transfer of any PII. Consumer choice should be honored in any data transfer. The Committee recommends that advertisers maintain in-house suppress lists as a mechanism to honor such consumer choice.

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accepted or rejected, with the rejection reason included. The unique identifier for the given records should also be returned. Samples are below:

```
<HTML>Primary_key=123456
DataResponse=Accepted</HTML>
<HTML>Primary_key=123456
DataResponse=Rejected</HTML>
<HTML>Primary_key=123456
DataResponse=Rejected -
Duplicate</HTML>
<HTML>Primary_key=123456
DataResponse=Rejected – Bad
Address</HTML>
<HTML>Primary_key=123456
DataResponse=Rejected – Bad
Phone</HTML>
<HTML>Primary_key=123456
DataResponse=Rejected – Not
qualified</HTML>
<HTML>Primary_key=jsmith@smith.com
DataResponse=Rejected – CC bad</HTML>
...
```

5. Error handling

If the receiving server does not respond or is returning a data response that is not recognized, the sending server will retry sending the data every hour up to 12 hours.

Credit card, Social Security, unique government identification numbers of any kind, health and medical information, information about children, other financial account information and debit account numbers are examples of sensitive personally identifiable information, especially if combined with name and address fields. Any use of these identifiers should be strictly limited to uses that are within consumers' reasonable expectations of security. Ask yourself: Can I authenticate my customer with just the last four digits of a Social Security Number? Do I have to abide by Payment Card Industry Data Security Standards (PCI-DSS)? What level of PCI-DSS governs my organization? What is the least amount of data I need to achieve the level of relevance that my consumers expect? Adhering to industry best practices, limiting use and transfer of these sensitive data elements will limit your organization's exposure to identity theft, costly charge-backs, and potential civil liability.

DATA TRANSFER RECOMMENDATION: *BATCH DELIVERY*

The Committee recommends that batch file delivery of lead data be used only when the party or parties involved are unable to accept data using any of the other real-time methods outlined in this document.

If batch delivery is used the following formatting is recommended.

- All batch files should be delivered using CSV (Common-separated Values) format
 - Quotes should be placed around all data to avoid values with commas being misread
- All files should use standard UNIX line return (\n)
- Each file should include a header row that with field names that follow the naming conventions set forth in this document's "Data Field Naming Best Practices" section.
- The first column of all files should start with a unique record identifier / primary key

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- The file name should include the source company name, campaign name and the date the file was created using the format
<source>_<campaign>_<year>_<month>_<day>_<hour>_<minutes>_<seconds> (for example “carloan_2007_01_18.csv”)

FOR MORE INFORMATION ON XML, PLEASE VISIT SOME OF THE FOLLOWING RESOURCES:

An introduction to XML Basics

<http://www.peachpit.com/articles/article.asp?p=31286&seqNum=8&rl=1>

The XML FAQ

<http://www.ucc.ie/xml/>

W3C XML Resource

<http://www.w3.org/XML/>

Common Data Field Naming Best Practices

As part of the industry’s effort to improve operational efficiency, the Committee has developed a recommendation for data field naming conventions. *(Note: If an industry segment has already developed specialized standard naming conventions such as the automotive “Auto-lead Data Format [ADF]”, these field names should be considered alternatives, not replacements)* The Committee recommends that the following list of common data fields be named in the following way when used, regardless of transfer method (XML or HTML Name-Value Pairs):

Note: All naming of data fields should be normalized to lowercase and underscore-delimited.

1. Date / Timestamp

The date and time the lead was received.

<timestamp>

The date and timestamp should conform to the following canonical data format:

<year>_<month>_<day>_<hour>_<minutes>_<seconds>

Example: 2007_12_04_18_12_58 (NOTE: 24-hour time)

NOTE: Date and timestamp information may also be transferred as separate name-value pairs if deemed necessary or expedient.

2. Timezone

The timezone that the time was taken in. Default/no-value equates to Greenwich Mean Time. All other timezone values would be relative to Greenwich.

<timezone>

Example: -05:00 (for Eastern standard time)

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3. First Name

First name identifies the person by their name:

<first_name>

Example:

- Jane
- John

4. Last Name

Last name identifies the person by their surname:

<last_name>

Example:

- Doe
- John

5. Address 1

The primary address identifies the location to which physical mail (snail) may be delivered.

< address 1>

Example:

- 555 Main Street>

6. Address 2

The secondary address identifies a subordinate location to Address 1 which physical mail (snail) may be delivered.

<address2 >

Example:

- Apartment 3
- building 4
- park square building

7. City

The city identifies the named-geographic location in which the lead lives or works.

<city>

Example:

- Athens
- Vienna
- dubai
- port ligat
- New York

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8. State

The state identifies the state or other similar international concept (jurisdiction, quadrant, province, and so on) in which the lead lives or works.

<state>

Example:

- RI
- AZ
- New Brunswick

9. Zip / Postal Code

Zip / Postal Code identifies the five-digit, three-digit, nine-digit, or other alpha-numerical zip-code based identifier associated with Address1, Address2, and State. This should not include additional US Zip+4 digits.

<postal_code>

Example:

- 902
- 90210
- SW18 4HB

10. Zip+4

For United States addresses, an additional field of four extra zip digits can also be fairly common.

<zip_4>

Example: 2065

11. Country

Country identifies the geography for the lead's Address1, Address1, State, and Zip Code.

<country>

Example:

- canada
- CA
- United States
- US

12. Contact Information

- Home Phone
- Land phone
- Work Phone
- Cell Phone
- Alt Phone
- Email

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The phone number is the series of digits that enable land-based, cellular, or VOIP telephony connections:

- `<phone_home>` : 1112223333, Intl: 44213092302
- `<phone_work>` : 7778889999
- `<phone_cell>` - 1234567890
- `<phone_alt>` - 9876543210
- `<email>` - john_doe@something.com, doe@nothing.com
- `<email_confirm>` - john_doe@something.com, doe@nothing.com

13. Company Name

The company for which a contact works.

`<company_name>`

Example:

- IAB
- Acme Consulting

14. Best Time To Call

Identifies the most convenient time for the lead to be contacted and the most appropriate time for the advertiser to contact the lead based on GMT and military time.

`<best_call_time>`

Example:

- 03:00
- 22:14

15. Highest Level of Education

Identifies the highest educational level that the lead has earned.

`<highest_education_level>`

Example of possible values:

- Some primary education
- Primary education graduate
- ged
- some college
- college graduate
- masters degree
- phd
- professional degree

16. Preferred Contact Method

Indicates the best method for communicating with the lead

`<preferred_method>`

Example: home phone, email

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17. High School Grad Year

Indicates the calendar year in which the lead graduated from high school

<high_school_graduate_date>

Example:

- 1967
- 1992
- 2007

18. Collateral Requested

Identifies the informational object requested for download by the lead.

<collateral_requested>

Example of possible types:

- document
- White paper
- podcast
- marketing literature
- sales literature
- Model

19. SS# or Government Issued Identifier

Identifies the social security number or government ID for the lead

<ssn>

Example:

- 123456789

20. Mother's Maiden Name

Identifies the surnames of the lead's mother before and if she is/was married.

<mother_maiden_name>

Example:

- Smith
- Jones
- smith jones

21. Date of Birth

Indicates the day, month, and year that the lead was born.

<dob>

Example: 2007_12_20

22. IP Address

Indicates the standard internet protocol address.

<ip_address>

Example:

- 12.23.123.123

23. Product Selection

Indicates the product that was selected by the lead during the capture process. The product identified must use no more than 64 alphanumeric, lowercase, underscore delimited characters.

<product_selection>

Example:

- My white paper
- Podcast 32456_n
- p_4_90_290_poe_x3i

24. Product Category

Indicates the category assigned to the product that was selected by the lead during the capture process. The product identified must use no more than 64 alphanumeric, lowercase, underscore delimited characters.

<product_category>

Example:

- My prod cat
- White papers
- podcast_n_67_n
- c_6g_9t0_2290_poe_x3i

25. Number of Children

Indicates the number of children dependent on the lead.

<number_children>

Example:

- 1
- 2
- 3

26. Credit Card Number

Indicates the credit card number submitted via 128-bit encryption by the lead during the capture process. The credit card number is a 15 or 16 character, integer string.

<cc_number>

Example:

- 1111222233334444
- 44446666665555

27. Credit Card Expiration

Month and year of expiration

<cc_exp>

Example: 2007_01

28. Credit Card Security Code

3 or 4 digit security code on back (or front with Amex) of card

<cc_securitycode>

Example:

- 2532
- 801

29. Primary key – User ID, RecordID

Identifies a unique series of alphanumeric characters that defines a primary identifier, which can be decoded via a lookup. The primary key may reference any system object in your lead capture process, such as a userid, recordid, customerid, or lookup table.

<primary_key>

Example:

- 1a
- 1_2
- 123
- 1a234
- 123A5
- a23456
- 123a_567
- 12345678
- 1_2_a
- 1_a_2_3_a and so on

30. Campaign / Keycode

A communication, such as direct mail or a print ad, may mention this code, which is a unique key identifying some resource or object.

Identifies a unique series alphanumeric characters that defines a unique primary identifier. The campaign or keycode may reference a lookup table.

<campaign_keycode>

Example:

- 1a
- 1_2
- 123
- 1a234
- 123a_567
- 12345678
- 1_2_a
- 1_a_2_3_a and so on

31. Company Code – Originator code

Identifies a unique series of alpha-numeric characters that defines the company. The campaign or keycode may reference a lookup table.

<company_code>

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Example:

- 1a
- 1_2
- 123
- 1a234
- 123A5
- a23456
- 123a_567
- 12345678
- 1_2_a
- 1_a_2_3_a

32. Website/URL

The website, if different from the Company Code, where the lead originated

<url>

Example:

- www.google.com
- www.innovationads.com
- www.careersandeducation.com

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