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# Warrillow Brief

*Best Practices in using webinars to generate small business leads*

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## **Management Summary:**

Webinars can be very effective and efficient small business lead generators. To maximize your return on investment, target narrowly, develop rich and specific content that addresses small business pain points, promote strategically, and react on the data immediately. Expect leads in the tens and hundreds but anticipate the high relative conversion to sales rates.



## The Business Issue

Lead generation is a key priority for most B2b (large enterprise targeting small businesses) marketing and sales executives. In a Warrillow survey of executives with responsibility for the small business segment, 61% of respondents stated that “optimizing their small business lead generation programs” was one of their top three priorities in 2007.

A webinar (designed for many-to-many interaction) or webcast (a non-interactive web event) can be a powerful and cost-effective medium for delivering qualified small business prospects. With the majority of small businesses now having adopted high-speed Internet access, web-based marketing tactics are viable alternatives to traditional mass-marketing techniques.

When considering webinars, many small business marketers face the following business issues:

- Are webinars relevant to my target market?
- How many leads can I generate and how good will these leads be?
- How much of my budget should I allocate to this medium?
- What type of return can I expect?

The objective of this report is to assist B2b marketers in answering these questions.

## The Facts

### SMALL BUSINESS OWNERS’ PERSPECTIVE

According to Warrillow research, 23% of small business owners have ever attended a webinar related to their business.

Owners of larger small businesses (20 to 99 employees) were 41% more likely to have participated in a webinar. Younger (operating less than nine years) and higher-growth businesses (revenue growth of at least 25% in the last year) were also twice as likely to have attended a webinar.

Owners of “intellectual” services businesses (such as consultants and professionals in the IT, finance and legal fields) are potentially better targets for a webinar lead generation program. This industry-sector difference was confirmed by several marketers we spoke with, who speculated that owners in certain sectors such as manufacturing and distribution



often tend to be "old school" and technology-averse. Rob Solomon, CEO of **Bulldog Solutions**, a top provider of lead optimization solutions, also finds it is challenging to motivate physicians to participate in "live" webinars based on their work schedules, so shorter content that is offered "on-demand" tends to be more effective. Also, in some industries, such as technology, webcasting has become completely mainstream.

These significant differences in behavior based on industry sector may also explain why, while 30% of male small business owners had ever participated in webinar, only 17% of female owners had done so. (According to our data, male entrepreneurs are more likely to own businesses in professional, business and technical services.)

Table 1: Higher-potential small business targets for webinars

Characteristic	Webinar Participation
<b>Company size: number of employees</b>	
Less than 20 employees	22%
20 to 99 employees	31%
<b>Tenure (years in business)</b>	
Less than 9 years	27%
9 years or more	16%
<b>Revenue growth rate (last 12 months)</b>	
Less than 25%	21%
25% or more	44%
<b>Industry sector</b>	
Business/technical/healthcare services	51%
Professional services	26%
Other	12%
<b>Gender</b>	
Men	30%
Women	17%



The majority of small business owners we spoke with valued the perceived convenience of webinars and considered webinars to be an excellent way to communicate with them as long as the webinars were educational and “not just a sales pitch”.

*Wendy Prock owns Wylie Carpet and Tile, a retail business in Wylie, Texas, which she founded two years ago. She has attended several webinars and would recommend them to other entrepreneurs: "It was much better than sitting in a meeting since I get sidetracked too easily. If I listen to a webinar, I can multi-task, whereas in a meeting, I need to give my full attention."*

Small business owners are generally enthusiastic regarding the value of business-related webinars, particularly during the earlier stages of their purchase lifecycle. Based on our survey, business owners were most likely to attend a webinar during:

- the *category education* stage (when educating themselves regarding a new product, service category or business issue)
- the *awareness* stage (when already familiar with the category or issue but seeking additional and more specific information)

Chart 1: Small business owner likelihood to attend a webinar based on purchase lifecycle stage

**On a scale from 1 to 5, where 1 means “least likely” to use for this purpose and 5 means “most likely” to use, please rate each of the following possible uses for webinars.**



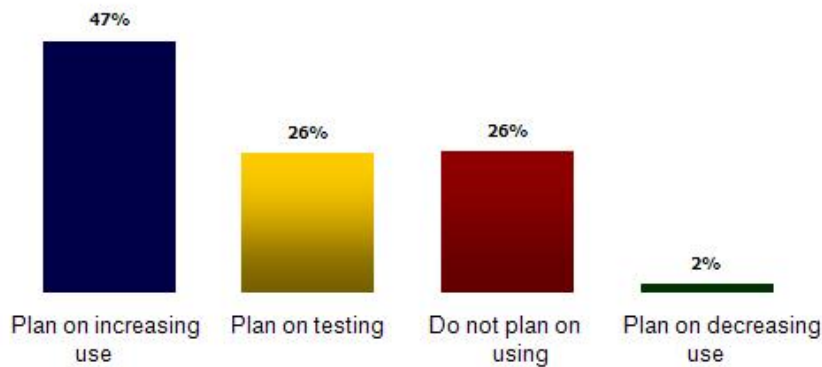


## B2b MARKETERS' PERSPECTIVE

In 2008, the majority of large enterprise marketers we surveyed planned on allocating at least some of their small business budget to webinars. Just over one out of four did not plan on using webinars at all this year, while only 2% planned on decreasing their spend.

Chart 2: *Expected spending in 2008 on webinars by large enterprise marketers targeting small businesses*

**Which of the following best describes your company's plans to use the webinars to market to small businesses in 2008?**



n = 147

Currently, technology companies are more likely to offer small business webinars; but increasingly, marketers in other categories, such as telecommunications, financial services and payroll services, are using the medium.



## The Benefits

From a customer-acquisition perspective, the major potential benefit of webinars is to reduce the overall cost per small business lead when compared to “traditional” event marketing techniques such as trade shows, product launches or in-person seminars due to:

- **Access to a broader addressable market** (the majority of small business owners are online)
- **A shortened sales cycle** (registration forms and polling allow you to measure the purchase interest level of your audience and rank your prospects based on readiness to buy; real-time nature of the medium enables quicker response)
- **A longer “shelf life”** (webinars can generate leads for extended periods of time, sometimes for 12 months or more after the event)
- **The elimination of out-of-office costs**, such as travel
- **Greater flexibility** (for “live” webinars, content can be tailored to the audience based on registration profiles; webinars can also be formatted to be viewed on portable devices)

## The Challenges

Marketers we interviewed identified several key challenges relating to webinars as an effective lead generation technique. These include:

- **Format** – do I need to produce a “live” webinar or can I simply record and archive “on-demand” webinars?
- **Promotion** – where should I go to advertise a webinar to maximize reach?
- **Differentiation** – how do I cut through the clutter so that my webinar invitation stands out, and how do I motivate small business owners to “raise their hands” and provide key profiling information during the registration process?
- **Content development and presentation** – which topics resonate the most with small businesses, and how should the content be presented?



## Best Practices

### FORMAT

A survey by the Aberdeen Group found that 70% of executives preferred “on-demand” webinars which they could access at their leisure. Small business owners generally deal with significant time management issues, so motivating them to show up for an hour-long “live” webinar on a specific day and at a specific time may be challenging. Many of the small business owners we spoke with advised that webinars would be more beneficial if they “*were downloadable so they can be reviewed again*”, “*were offered more than one time, in the evening*”, and “*if we can click in when we want to get it.*”

“Live” webinars, however, generate a sense of urgency, and as the medium becomes more and more prevalent, creating excitement about your online event will become increasingly important. Several marketers we spoke with recommended sending two e-mail reminders with a creative, benefits-oriented subject line before the “live” webinar to keep the event on the target’s “radar screen”.

Another strategy to generate excitement is to focus on the “exclusivity” factor inherent in “live” webinars in that attendees have a one-time opportunity to interact with the panelists. This perceived benefit will be greater if the panelists include a well-known expert or a small business luminary.

For example, in 2007, **Microsoft** featured Guy Kawasaki as one of its keynote speakers for its annual “Microsoft Small Business Summit”, a five-day online event offering over 50 webcasts which were first conducted live and then made available “on-demand” 72 hours later. **Microsoft** expected over 30,000 small business owners to participate over the five days, and only attendees of the “live” versions were able to interact with panelists, such as Kawasaki. Celebrity small business gurus, however, are expensive, with speaker fees as high as six figures.

If you do hold an “on-demand” webinar, plan on extending its value by recording it for archiving since generally, the incremental costs of the additional production are lower than the potential lead generation gains. Avoid, however, the common mistake of simply recording a “live” version and posting it, “as is”, to your website. Editing out pauses, polling questions and other irrelevant content will make the “on-demand” version more appealing. Furthermore, you can extend the “shelf life” of your webinars by deleting or updating sections that become dated.



Finally, for “on-demand” webinars, several marketers advocated inserting a specific “call to action”, such as an embedded URL, instant messaging, a “Call Me Now” button, or a post-webinar survey to add an interactive element to “on-demand” webinars and reduce the risk that attendees do not engage with you.

## PROMOTION

It may seem obvious, but promoting the webinar is essential. Some marketers are tempted to rely on the content and simply build up a library. One senior marketing executive we spoke with summarized the issue eloquently: *“Don’t expect that once you build a webinar, they will come.”*

To promote your webinar most effectively, consider the following sources:

1. **Your house lists:** These prospects have opted-in, so you should already have some basic profiling information that would allow you to target them with specific webinars. One marketer we spoke to achieves three to five times as many webinar registrations from his own customer database compared with non-proprietary lists. Walter Good, CMO of **E-Myth Worldwide**, a global provider of coaching and educational solutions for small business owners, concurs, stating that **E-Myth** has had great success in attracting registrations to their webinars by sending out invitations in their e-newsletters.
2. **Your channel partners:** **Bulldog Solutions’** Rob Solomon recommends leveraging affiliate and channel partners as a way to extend your reach and share the “heavy lifting”. Co-promoting a webinar with your affiliates, brokers and resellers also provides a win-win situation since channel partners are able themselves to provide value-added content to their own customers. **Microsoft** leveraged its partnership with CompUSA to drive attendance to its online Small Business Summit last year: registrants were invited to attend the “live” versions of the webcasts at select CompUSA stores nationwide.
3. **Complementary partners:** Trade publishers and professional associations with the same target audience as yours can be especially effective partners since, not only will they often promote the webinar to their membership and mailing lists, but also co-branding with a trusted third-party will enhance the webinar’s credibility.
4. **Search engines:** According to a recent poll by Capital Access Network, the top business-related online activity of small business owners after checking email is researching business solutions. With the vast majority of small business owners online, search-engine optimization of your webinar will build awareness. Webinars



provide their own challenges for search engine submission since the data cannot be directly searched. You need to recreate transcripts of your presentation that can be indexed and archived by the search engines.

5. **RSS feeds:** Alert your target audience to new webinars by using RSS feeds. One small business owner we spoke with, for example, recently attended a Texas Instruments's webinar relating to micro-processors and was made aware of it through an RSS feed.
6. **Blogs:** To tap into viral marketing opportunities, look to influential small business gurus, such as Anita Campbell ([smallbiztrends.com](http://smallbiztrends.com)) and John Jantsch ([ducttapemarketing.com](http://ducttapemarketing.com)), who publish popular blogs.

The following advertising channels are less effective:

- **Online banner ads:** According to **Bulldog Solutions's** Rob Solomon, online banner ads seldom even register at all when tracking lead sources. In fact, in a Warrillow survey of B2b sales executives, banner ads were rated as one the worst sources for quality leads; a finding echoed by Solomon who states that only direct mail is generally perceived to be less effective than banners;
- **"Rented" lead lists:** These lists are generally not as effective. Invitation open-rates are likely to be low, since targets have not opted-in for your communications.



## DIFFERENTIATION

Some guiding principles that will help differentiate your webinar invitation:

1. **Create a title** for your webinar based on solving a key and specific small business pain point.

*Figure 1: Examples of webinar titles*

"Protecting your Business" – get advice on insurance, online security and more (Wells Fargo's small business webcast series)

"Discover the secrets of low-cost marketing that really work" (Microsoft Small Business Summit 2008)

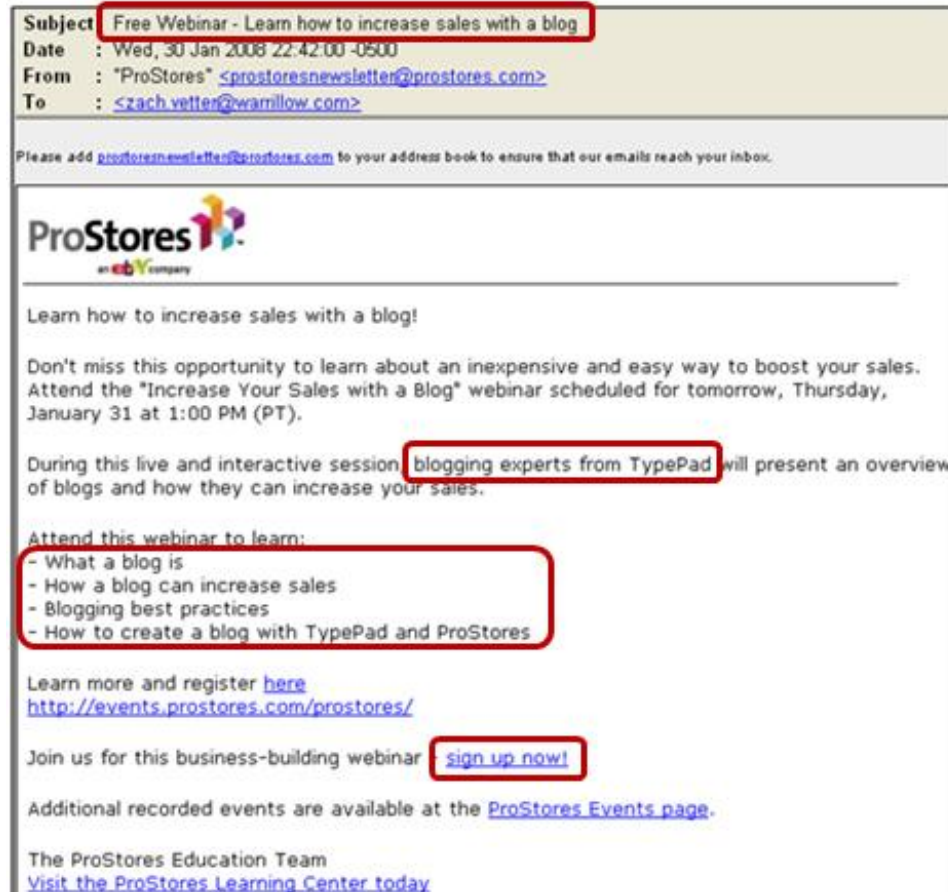
"Four Ways to Double Sales" (AT&T's Onward Small Biz web-based seminar)

"How Fit is Your Business?" (Home Depot's webinar for contractors)

2. **Reinforce the tangible benefit** of attending the webinar in the invitation. For example, Chris Litster, Director of Conversion Marketing at **Constant Contact**, a leader in small business marketing, suggests using terms like "workshop" (as opposed to "webinar") in the invitation subject line as a way to emphasize the interactive and solutions-oriented nature of the event. **Home Depot**, in fact, promotes its webinars targeted at contractors by describing them as "online workshops."
3. **Be concise in your invitation:** Build up the value of the content, and clearly state the benefits of attending (see *Figure 2 for an example from ProStores*).



Figure 2: Example of an email invitation to a ProStores webinar



4. **Minimize your barriers to entry.** Limiting the information you collect at registration is likely to increase your registration rate. Marketers, however, must obviously balance this against the lost opportunity relating to the additional profiling information they do not ask. An alternative would be to build profiles in stages, collecting new information at different points of contact. Additionally, marketers should strive for a one-time registration process to avoid the frustration caused by requiring prospects to register multiple times to access your webinars and other lead generation content.
5. **Incent if you have to.** While incentives (such as access to a syndicated report from IDC or Gartner, a sweepstakes prize or free gift) may attract some poorer-quality leads, they may help differentiate your webinar, particularly if webinars have



become mainstream in your category, or you are targeting a segment of the small business market for which webinars are a relatively new medium. According to Beth Gilbert, Product Marketing Manager at **Citrix Online**, maker of the popular GoToMyPC and GotoMeeting products, research conducted by **Citrix** revealed that small business owners preferred a guaranteed gift rather than a sweepstakes offer. A recent Warrillow study also suggests that a self-help book and an Amazon.com or Staples gift certificate would make an excellent small business owner incentive.

## CONTENT DEVELOPMENT AND PRESENTATION

1. **Identify a narrow target segment** and select a topic of high interest. Many webinars generate low returns because they attempt to appeal to many different segments within the small business market or to address too many issues.
2. **Produce in-house.** Some companies choose to sponsor webinars produced and hosted by other companies. While outsourcing may be a less expensive alternative, one common disadvantage is that the data provided by the producer is often minimal or non-existent. Some companies have chosen to outsource general-interest webinars while keeping product demonstration webinars in-house. **ADP**, for example, provides links to HR.com's webinars on its small business site. It, however, produces its own series of webinars targeted at businesses with 50 to 1,000 employees that demonstrate the benefits of using their different products.
3. **Keep the audience engaged.** Use more than one presenter, and while it may seem obvious, make sure they are "good" speakers. In some cases, the best "product" person in your company may not also be an effective speaker, and poor speakers can often destroy any potential lead generation opportunities, regardless of how compelling your content might be. In addition to speakers, invest in the audio-visual component and explore other alternatives to the standard series of bar graphs. Innovative presentation software such as **Apple's** Keynote product as well as advanced graphics packages can enhance the impact of your event.
4. **Have at least one outside expert as a speaker.** **Citrix**, for example, included a reporter from *BtoB* magazine as a panelist for one of its webinars (she moderated the discussion). In addition to journalists, other types of relevant third-party experts include research analysts from a well-known firm such as IDC, industry association executives, and popular small business authorities.
5. **Include a small business customer on your panel.** No stronger case can be made for your product or service than a testimonial from another entrepreneur. **Smallbiztrends.com's** Anita Campbell emphasizes that this is particularly important



when promoting the benefits of your product or service since “showing how real businesses are using it is one of the best ways to get the attention a small business owner”.

6. **Adapt the content to the audience. Constant Contact's** manager of e-Learning, Heidi Tobias, provides an important tip that is often overlooked: “translate the geek to English for them”. Marketers sometimes forget that small business owners do not always process information in the same way as IT decision-makers, corporate executives or other segments they may be communicating with or used to communicating with.
7. **Follow up immediately after the webinar is viewed.** Your window of opportunity for actively engaging webinar attendees is short. They are likely to forget you and the webinar topic quickly, so capitalize upon post-webinar awareness. Several business owners we spoke with appreciated the follow-up calls they received shortly after attending a webinar, since it allowed them to ask specific questions after they had had a chance to think about the material presented. Others appreciate a “reward” for participating, such as a relevant white paper. A lead scoring system will allow you to tier your leads and align them with your most effective follow-up strategy.
8. **Plan on repurposing the content.** In addition to archiving your webinars, think about repurposing them for other media such as portable devices, social networks, video-sharing sites such as YouTube and podcasts.
9. **“Chapterize” your “on-demand” webinars.** Serve up your recorded webinar in shorter segments and identify the topic and duration of each “chapter” (see Figure 3).



Figure 3: Apple’s “Brand your Business Better with Apple” 66-minute webcast is divided into six “segments”, each no longer than 15 minutes.

Seminars, Training & Events 

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## Brand Your Business Better with Apple

### Making the Most of iLife and iWork



See samples and hear from David Ortswold, Founder and President of Sustainable Harvest, as he describes how they use Macs to create pdf like newsletters, pdf photobooks and web

**Segment 1) Introduction (4 minutes)**  
*Understand the benefits associated with running Macs in business and what specifically iWork and iLife does for David and Sustainable Harvest, and what these applications can do for your business.*

**Segment 2) Photobooks and calendars (12 minutes)**  
 How Sustainable Harvest, can harness the power of managing and editing photos to easily create photobooks and calendars with iPhoto.

**Segment 3) Podcasting (13 minutes)**  
 How Sustainable Harvest uses podcasting to train and connect partners across the globe and learn how easy it is to create and use podcasts on a Mac.

**Segment 4) iMovies (18 minutes)**  
 How Sustainable Harvest leverages their professional photos and video assets to connect with customers and suppliers using iMovie.

**Segment 5) iWebsites (15 minutes)**  
 How Sustainable Harvest uses iWeb to create a stylish and media-rich website without a programmer. See how David and Sustainable Harvest uses iWeb on weekends to supplement their company website for special events.

**Segment 6) Presentations, posters, and newsletters (12 minutes)**  
 How Sustainable Harvest uses Keynote to create presentations that appear to any audience and Pages to create newsletters and other documents with ease and style.

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# Return on Investment (ROI)

## CALCULATING THE ROI

A simple way to calculate ROI from webinars would be to use the following formula:

Figure 4: ROI for webinars

$$\begin{aligned}
 &\text{Number of leads created (number of webinar attendees)} \\
 &\times \text{Lead conversion rate to sales (\% of registrants or attendees that purchase)} \\
 &\times \text{Average dollar sale} \\
 &= \text{Total dollar sales generated from webinar} \\
 &+ \text{Costs} \\
 &= \text{ROI}
 \end{aligned}$$

## COSTS

Total costs associated with a webinar are typically 10% of those of a trade show. Ken Molay, President of **Webinar Success**, a leading webinar consulting firm, states that webinar costs can vary widely from a few thousand dollars (if the webinar is produced internally and promoted through an internal list) to tens of thousands of dollars:

Table 2: Examples of webinar program costs

	Higher-End Webinar Program	Lower-End Webinar Program
Technology	\$2,000	\$200
Content (graphics/speaker fees, etc.)	\$13,000	\$0
Promotion	\$20,000	\$2,500
Total	\$35,000	\$2,700



## BENCHMARKS

Bob Hanson, founder of **Quantum Leap Marketing**, a leading consultancy specialized in lead generation and conversion, and **Bulldog Solutions**'s Rob Solomon both agree that too many factors (such as advertising strategy, content, technology platform, industry, length of sales cycle, and average sale value) affect webinar metrics to provide meaningful benchmarks.

If properly planned, executed and managed post-event, B2b webinars provide an excellent ROI opportunity. In one case, for example, webinars generated twice the return of another popular B2b "handraiser", a white paper.

One benchmark that most executives and experts we spoke with agree on is for webinar attendance. Normally, B2b marketers achieve a 30% - 40% attendance rate (percentage of registrants who actually attend) while a 50% attendance rate would be considered high. Some leading marketers, such as **NetSuite**, are able to achieve even higher rates. According to Jay O'Connor, Vice President of Marketing at **NetSuite**, 50% - 65% of **NetSuite** webinar registrants will usually attend.

"Soft" webinars that fall into "general interest" categories (tips on online marketing, advice on business productivity, etc.) can generate several hundred attendees. "Hard" ones that deal with very specific product and technical information (and often attract business owners and decision-makers in the technology space) may only attract a dozen or so attendees but, because these leads tend to be much more qualified, conversion to sales is often much higher compared to their "soft" counterparts.

When assessing your webinar strategy and results, be realistic about the numbers and make sure you can track results. Some of the most respected small business marketers, who have devoted considerable time to refining their webinar strategies, are satisfied with 200 to 300 attendees given the high ROI potential.



## Conclusion

One small business owner we spoke with perhaps best summarizes the opportunities and challenges regarding webinars:

*Cathie Yob owns My Core Solutions, a human resources consulting firm with 80 employees in Austin, TX, which she bought 2 years ago. She attended a webinar 3 months ago and values its ease of use and time-saving benefits. She also stresses that webinars need to contain more compelling information that will help her grow her business or run it more efficiently. "I'd be interested in anything related to my specific industry. I'd love to see a series of webinars covering different topics such as new business strategies, tools, outsourcing and financial metrics like ROI. Most of the time, however, the only purpose behind a webinar is to sell me something or to make me more familiar with the company giving it. That's not what I'm looking for."*

As **Bulldog Solutions's** Rob Solomon states, "the most important aspect and benefit of webinars is that, because they live online, and usually sit behind a registration engine, they are inherently measurable. You can not only see who is registering, but as you dive in deeper, you can begin to rank your leads based on targeted profiles and attributes."

Marketing has always been considered "part art, part science." Webinars reflect the new reality of marketing in a Web 2.0 world in that they help bridge the gap between the 'art' of engaging an online audience, and the 'science' of analyzing and predicting behavior.

### SPECIAL THANKS TO THE FOLLOWING CONTRIBUTING THOUGHT LEADERS:

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**Ken Molay**, President of Webinar Success

**Jay O'Connor**, Vice President of Marketing, NetSuite

**Rob Solomon**, CEO of Bulldog Solutions

**Heidi Tobias**, e-Learning Manager, Constant Contact