2016 State of Lead Generation

For the Small and Medium-Size Business

act-on

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New customer acquisition is the lifeblood of many businesses, but it can be costly. When well-executed, lead management strategies can produce significant savings, reduce time spent in the funnel, and bring sales and marketing into closer concert.

Download our Best Practices for a Lead Management Strategy

2016 State of Lead Generation for the SMB

For marketers at small and medium-size businesses with limited resources, achieving lead generation goals is a constant challenge.

How are savvy SMB marketers overcoming this challenge to generate more leads of better quality for hand-off to sales?

To find out, Act-On Software in partnership with Ascend2 fielded the State of Lead Generation Survey and completed interviews with 244 marketing influencers the week of August 1, 2016.

The data in this edition of the study, titled the *2016 State of Lead Generation for the Small and Medium-Size Business,* represent the opinions of the 131 marketing influencers from small and medium businesses (SMBs) with fewer than 500 employees. We thank these busy professionals for sharing their insights with us, and you.

This research has been produced for your use and can be used in your own marketing strategy planning and presentation materials. Clip the charts and write about them in your blog or post them on social media. Please share this research credited as published.

Kevin Bobowski
Chief Marketing Officer for Act-On Software

Methodology

Ascend2 benchmarks the performance of popular digital marketing practices using a standardized questionnaire and proprietary 3-Minute Survey. This survey was conducted from a research subscriber panel of marketing influencers.

The segment represented in this report are from the following:

Role in the Company
Owner / Partner / C-Level	53%
VP / Director / Manager	39%
Non-Management	8%

Primary Marketing Channel
B2B	50%
B2C	29%
B2B and B2C Equally	21%

Most Important Strategic Goals

A top priority for three-quarters (75%) of SMBs is to improve the quality of leads generated. Handing-off high quality leads to sales significantly impacts an organization's ability to achieve the next most important goal for 53% of SMBs – acquiring new customers.

Not all leads are created equal. Some are ready to buy right now, some will likely be ready soon, and some are just entering the funnel. So how do you know which leads are hot and which are not? That's easy – use lead scoring. Want to create a lead scoring program of your own?

What are the MOST IMPORTANT GOALS of a lead generation strategy?

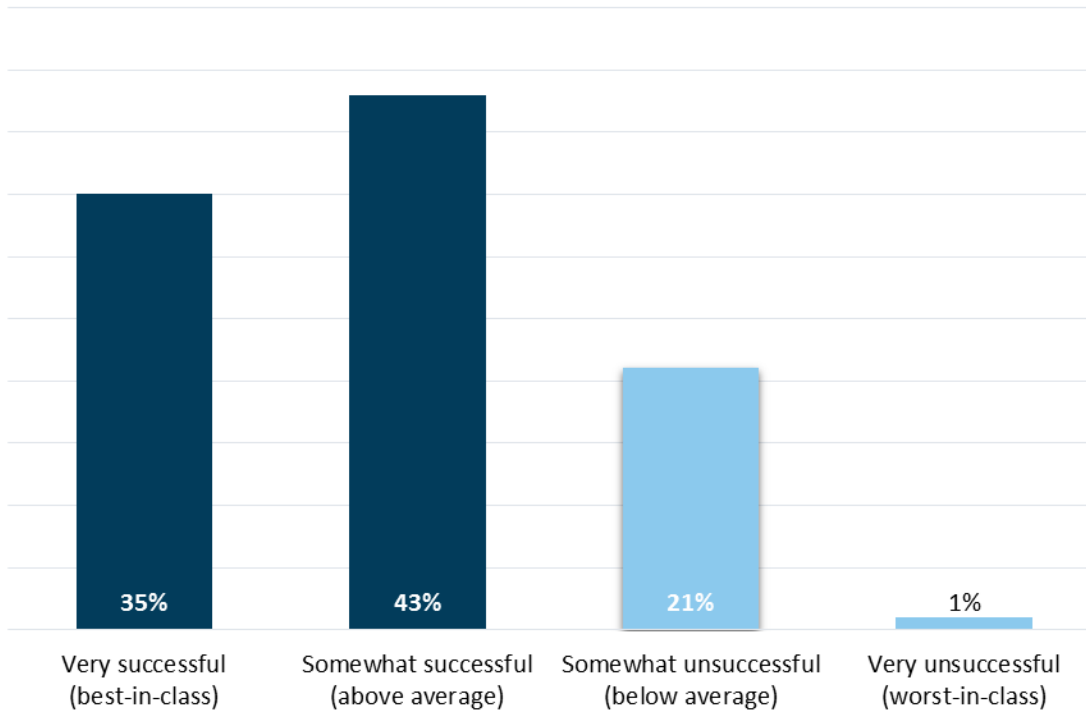| Goal	Percentage
Improving QUALITY of leads	75%
Acquiring new customers	53%
Increasing QUANTITY of leads	40%
Automating marketing processes	32%
Converting website visitors to leads	31%
Measuring performance/ROI	28%
Reducing cost to acquire leads	20%

Download our 5 Step Guide for Creating a Lead Scoring Program

Competitive Comparison of Strategic Success

A total of 78% of SMBs describe their lead generation strategy as successful to some extent in comparison to competitors. The remaining 22% consider it comparatively unsuccessful at achieving important lead generation goals.

Learn how automation improves ROI by making sales and marketing more efficient and more effective, & makes marketing accountable through measurement.

Download our white paper:

CEO Perspective: 5 Ways Marketing Automation Can Optimize & Grow Your Business

Which best describes the SUCCESS of your lead generation strategy compared to competitors?

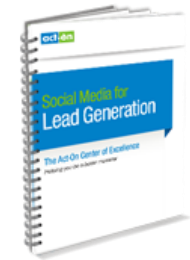| Very successful (best-in-class)	Somewhat successful (above average)	Somewhat unsuccessful (below average)	Very unsuccessful (worst-in-class)
35%	43%	21%	1%

Significant Barriers to Lead Generation Success

There are many barriers to achieving lead generation success. A most significant barrier for a majority (52%) of SMBs to overcome is improving the quality of leads that the sales organization is ultimately responsible for converting into customers.

What are the MOST SIGNIFICANT BARRIERS to achieving lead generation success?

Barrier	Percentage
Improving QUALITY of leads	52%
Increasing QUANTITY of leads	38%
Converting website visitors to leads	37%
Acquiring new customers	37%
Measuring performance/ROI	33%
Automating marketing processes	30%
Reducing cost to acquire leads	28%

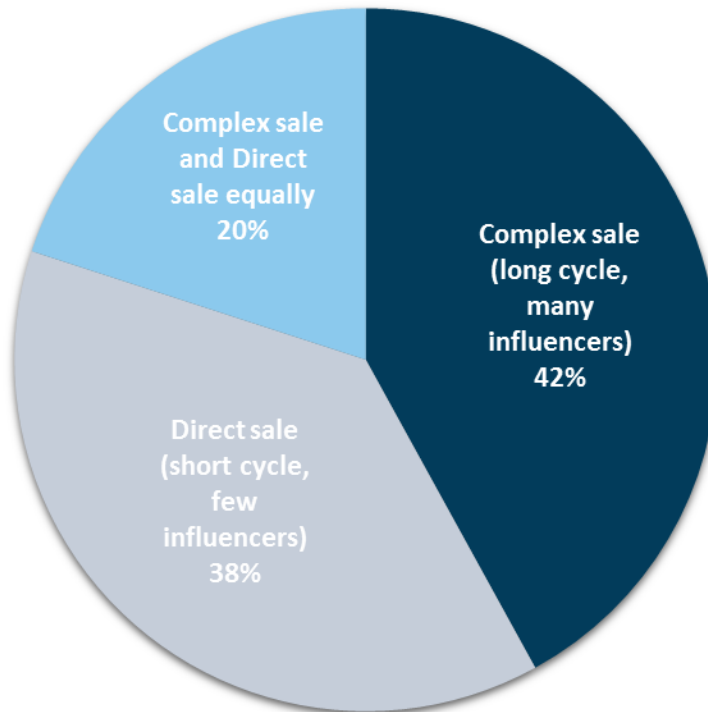Wondering how to use Social Media to generate highly qualified leads?

Download our eBook on Social Media for Lead Generation

How the Sales Cycle Impacts Lead Generation

Improving the quality of leads varies with the type of sales cycle an organization encounters. In the complex sale process – which involves a long cycle with numerous influencers – leads require significantly more nurturing than those in a direct sale.

Do you want more landing page conversions? Getting visitors to want your content enough to trade their contact information is no easy feat. A well designed and thought out landing page should incorporate some key practices for creating pages that convert visitors to your site into valuable leads.

Which best describes the type of SALES CYCLE your organization most often encounters?

Complex sale and Direct sale equally
20%

Complex sale (long cycle, many influencers)
42%

Direct sale (short cycle, few influencers)
38%

Download our eBook to learn the building blocks of a good landing page, and the six best practices for creating pages that get great results:

Building Better Landing Pages: Getting More Conversions, See More Results

Strategic Comparison of Goals and Barriers

For the SMB, the most important lead generation goal – improving the quality of leads – is also the most significant barrier to success. This comparison indicates that a focus on this issue is critical to the development of an effective lead generation strategy for SMBs.

We talked to a number of CMOs and asked what they're focusing on to grow their sales and revenues, and what they're doing to avoid problems. They shared their insights on 5 top initiatives.
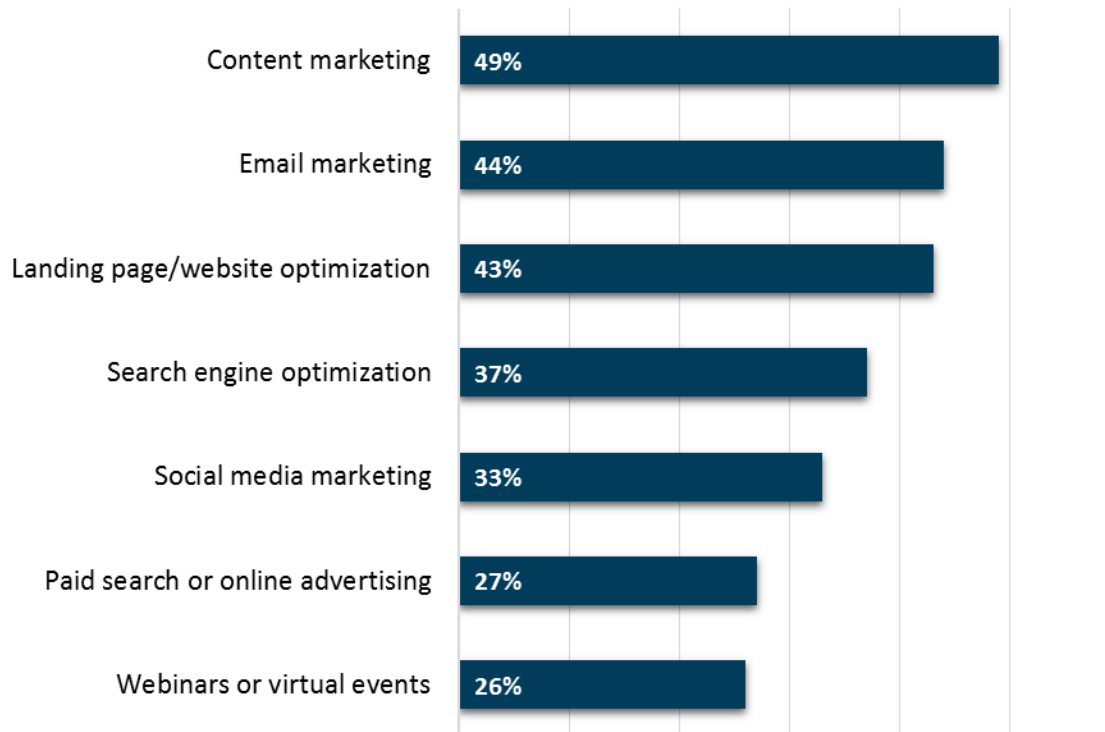
Important goals versus success barriers.

■ Most Important Goals ■ Most Significant Barriers

Category	Most Important Goals	Most Significant Barriers
Improving QUALITY of leads	75%	52%
Acquiring new customers	53%	37%
Increasing QUANTITY of leads	40%	38%
Automating marketing processes	32%	30%
Converting website visitors to leads	31%	37%
Measuring performance/ROI	28%	33%
Reducing cost to acquire leads	20%	28%

Download: **The CMO's Five Most Important Initiatives**

Effectiveness of Lead Generation Tactics

Marketing content, marketing via the email channel and optimizing web pages, are the most effective tactics used to generate leads. purposes. In addition to use as a stand-alone tactic, content is also commonly integrated with most other effective online tactics.

Your website can be your best source for more, and better, leads. Learn 7 proven lead generation tactics you can use to make the most of your website's potential.

Your leads are only as good as the website that produces them.
— *KISSMETRICS*

What are the MOST EFFECTIVE online tactics used for lead generation?

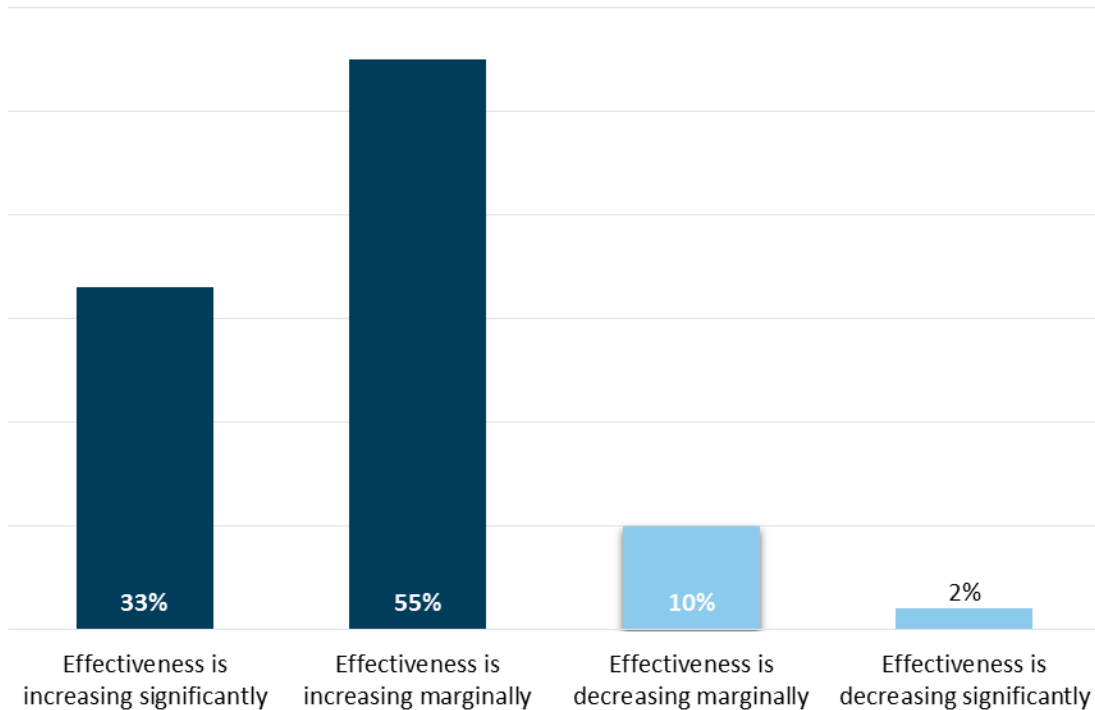| Tactic	%
Content marketing	49%
Email marketing	44%
Landing page/website optimization	43%
Search engine optimization	37%
Social media marketing	33%
Paid search or online advertising	27%
Webinars or virtual events	26%

Download our eBook: Turn your website into a Lead Generation Machine

How Tactical Effectiveness is Changing

While a majority (55%) of SMBs say the effectiveness of lead generation is increasing marginally for their organization, another one-third (33%) believe it is increasing significantly. A total of only 12% are experiencing a decrease in lead generation effectiveness.

Content marketing is the linchpin of demand creation – the link between brand awareness and lead generation.

To what extent is lead generation EFFECTIVENESS CHANGING?

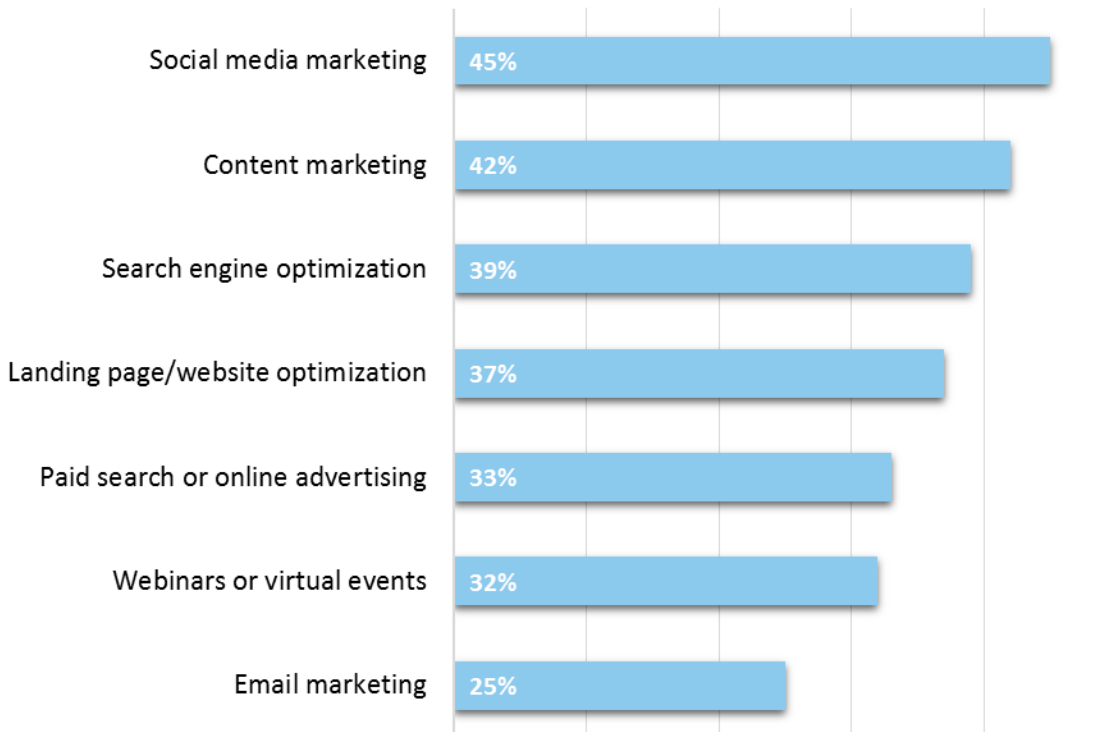|	
33%	Effectiveness is increasing significantly
55%	Effectiveness is increasing marginally
10%	Effectiveness is decreasing marginally
2%	Effectiveness is decreasing significantly

Download our 6 Best Practices for Creating a Content Marketing Strategy

Most Difficult Tactics to Execute

Executing tactics such as social media and content marketing are difficult tactics to execute for 45% and 42% of SMBs respectively. Optimization, whether for search engines or web pages, is both an art and a science making them difficult for SMBs to execute as well.

We've reached out to a number of the world's leading experts and asked them to share their secrets on lead generation and how they drive tens of thousands –or even more– visitors to their websites each month!
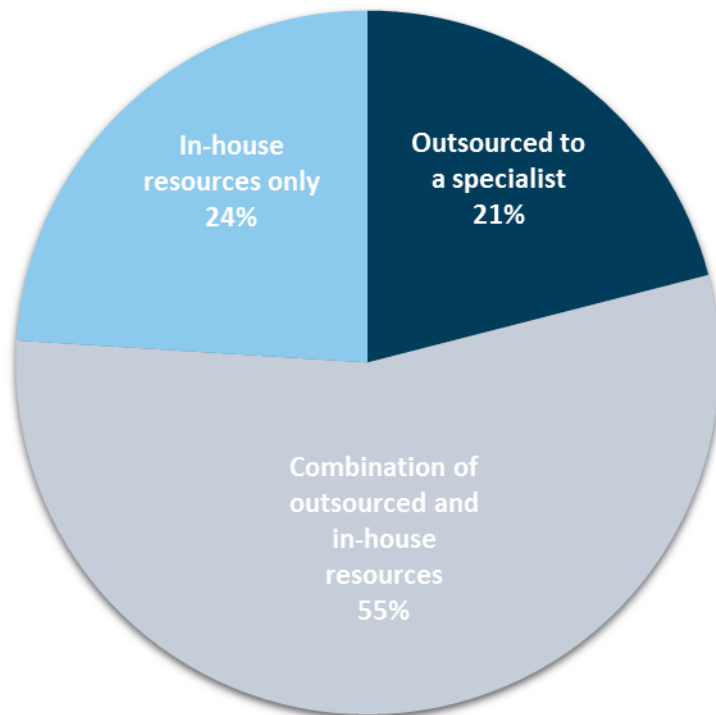
Download our How to Improve a Lead Generation Campaign

What are the MOST DIFFICULT online tactics to execute for lead generation?

Tactic	Percentage
Social media marketing	45%
Content marketing	42%
Search engine optimization	39%
Landing page/website optimization	37%
Paid search or online advertising	33%
Webinars or virtual events	32%
Email marketing	25%

Resources Used to Execute Tactics

76% of SMBs outsource all or part of their lead generation tactics. The more difficult a tactic – such as social media, content marketing and optimization – is to execute, the more likely an organization is to require outside assistance.

The average B2B marketer uses **13 different tactics**.

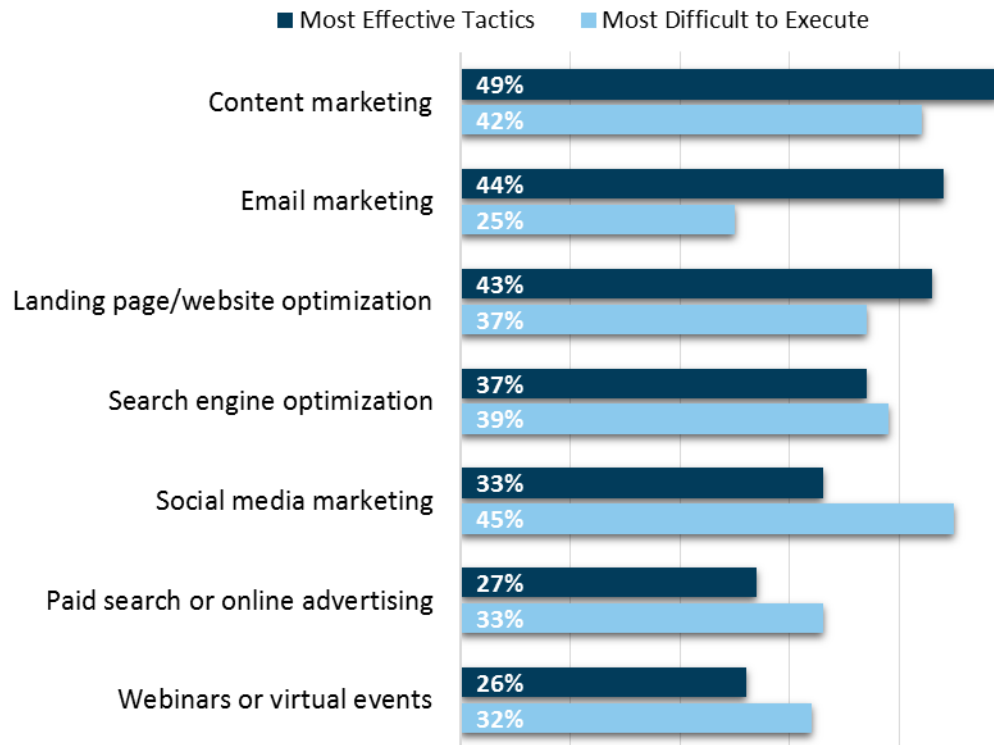*(Content Marketing Institute/ MarketingProfs, "2016 B2B Content Marketing Trends—North America")*

Which best describes the RESOURCES USED to execute lead generation tactics?

In-house resources only
24%

Outsourced to a specialist
21%

Combination of outsourced and in-house resources
55%

Looking to outsource some of that work? Read our blog post, *"How to Select the Right Marketing Agency for Your Business?"*
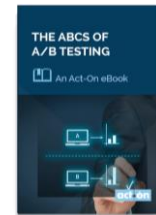
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Tactical Effectiveness Versus Executional Difficulty

When prioritizing tactics for the development of an effective lead generation strategy, a balance must be struck between tactical effectiveness and executional difficulty. A tactic will succeed only if the resources are available to execute it effectively.

Testing is essential for optimizing digital marketing campaigns and is often the best way to uncover the perfect combination of factors to boost the performance of campaigns and improve your ROI.

Most effective tactics used versus most difficult to execute.

■ Most Effective Tactics   ■ Most Difficult to Execute

Tactic	Most Effective Tactics	Most Difficult to Execute
Content marketing	49%	42%
Email marketing	44%	25%
Landing page/website optimization	43%	37%
Search engine optimization	37%	39%
Social media marketing	33%	45%
Paid search or online advertising	27%	33%
Webinars or virtual events	26%	32%

THE ABCS OF A/B TESTING
An Act-On eBook

Our eBook, The ABCs of A/B Testing, will give you the ABCs of A/B testing so you can start testing and optimizing emails and landing pages for better conversions.

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Acclaim for act-on

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2014 BEST PRACTICES AWARD

Inc. 500
2013 & 2014 FASTEST GROWING COMPANIES

LEADER in Forrester Research, Inc. report, The
FORRESTER WAVE
Lead-To-Revenue Management Platform Vendors, Q1 2014

Forbes 2013
AMERICA'S MOST PROMISING COMPANIES

Deloitte.
Technology Fast500

See all of Act-On's awards and accolades

About Act-On software

Act-On Software delivers cloud-based integrated marketing automation software. Marketers can manage all their online marketing efforts from a single dashboard that can be seamlessly integrated with CRM, giving sales access into various marketing functions. Act-On's fresh approach to marketing automation gives its users full functionality without the complexity other systems impose, and makes campaign creation and program execution easier and faster.

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About the Research Partners

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Our Mission: To Delight Small Marketing Teams with Big Ambitions!

Act-On Software is the world's fastest growing marketing automation company; its cloud-based marketing automation platform is the foundation of successful marketing campaigns everywhere – from small, simple and direct, to complex globally implemented programs.

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