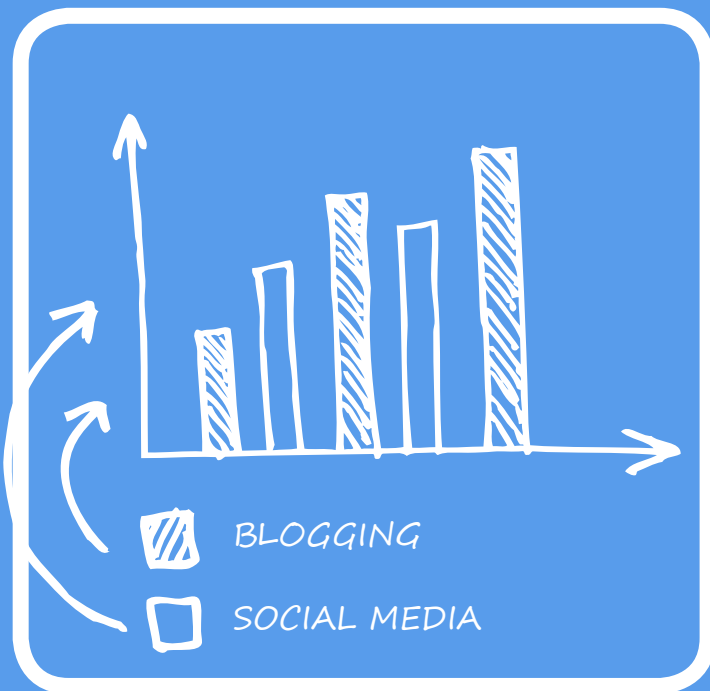


The 2012

# STATE OF INBOUND MARKETING



2012 Report on  
Inbound Marketing  
Practices & Trends

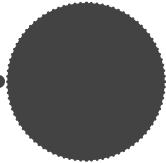
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### INTRODUCTORY

Introductory content is for marketers who are new to the subject. This content typically includes step-by-step instructions on how to get started with this aspect of inbound marketing and learn its fundamentals. Read our [Inbound Marketing Glossary](#) to review all the terms and definitions that can make you a marketing rockstar.



### INTERMEDIATE *This ebook!*

Intermediate content is for marketers who are familiar with the subject but have only basic experience in executing strategies and tactics on the topic. This content typically covers the fundamentals and moves on to reveal more complex functions and examples. After reading it, you will feel comfortable leading projects with this aspect of inbound marketing.



### ADVANCED

Advanced content is for marketers who are, or want to be, experts on the subject. In it, we walk you through advanced features of this aspect of inbound marketing and help you develop complete mastery of the subject. Read our [Online Marketing Opportunity Report by Industry](#) for more advanced information on inbound marketing trends.

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**INBOUND CHANNELS CONVERT LEADS INTO CUSTOMERS /21**

**WHAT'S IMPORTANT TO MARKETERS? /29**

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# Five Key Takeaways

This report is based on a January 2012 survey of 972 professionals familiar with their business' marketing strategy. The key takeaways are:



## INBOUND MARKETING BRINGS LOW-COST LEADS

Inbound marketing channels are maintaining their low-cost advantage. Inbound marketing-dominated organizations experience a cost per lead 61% lower than outbound marketing-dominated organizations.



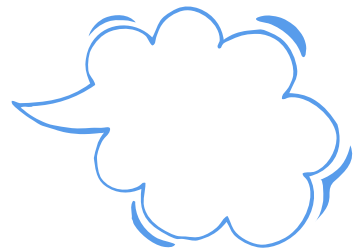
## MORE SPENDING ON INBOUND CHANNELS

The distribution of marketing budgets continues to shift to inbound channels. The difference between inbound and outbound marketing expenditures grew by 50% from 2011 to 2012.



## SOCIAL MEDIA GROWTH

2012 saw growth in social media use across the spectrum. 62% of companies said that social media had become more important as a source of leads in the past six months.



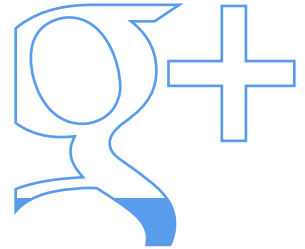
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#### THE RISE OF GOOGLE+

Google+ has started to affect social media marketing. Within six months of its launch, over 40% of marketers consider it “useful,” “important” or “critical.” It’ll be interesting to see how Google+ affects marketers in the future.



#### INCREASING VALUE OF BLOGGING

Businesses are increasingly aware their blog is highly valuable. 81% of businesses rated their company blogs as “useful,” “important” or “critical.” An impressive 25% rated their company blog as “critical” to their business.



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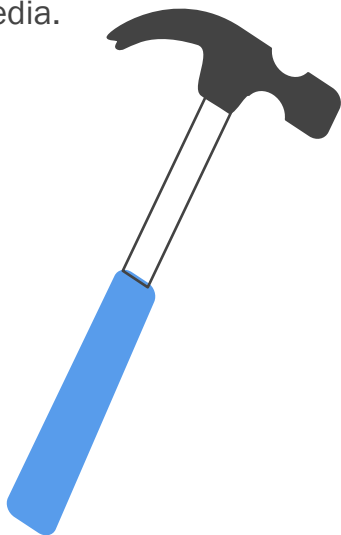


# Overview of Inbound Marketing

This report is designed to help businesses and marketers understand the current usage and results of inbound marketing. **Inbound marketing** is a set of marketing strategies and techniques focused on pulling relevant prospects and customers towards a business and its products. Inbound marketing is becoming widely accepted because it complements the way buyers make purchasing decisions today—they are using the Internet to learn about the products and services that best meet their needs.



Inbound marketers offer their audiences useful information and tools to attract people to their site, while also interacting and developing relationships with these potential customers. Inbound marketing tools include blogging, content publishing, search engine optimization and social media.



Inbound marketing contrasts with **traditional outbound marketing**, where businesses push their messages at consumers. With techniques that include direct mail, telemarketing and trade shows, outbound marketing has become less effective over time as buyers have behaviorally and technologically (e.g., DVR, spam filters, 'do-not-call' lists) tuned these interruptive campaigns out.

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CHAPTER 1

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# THE STATE OF MARKETING COSTS & BUDGETS





*Inbound consistently delivers a cost per lead dramatically lower than outbound.*

Survey participants were asked to report the distribution of their spending and their average cost per lead. Respondents who spend more than 50% of their lead generation budget on inbound marketing channels report a significantly lower cost per sales lead than those who spend 50% or more of their budgets on outbound marketing channels.



The average

COST/  
LEAD

for outbound-dominated businesses was

\$346,

WHILE

inbound businesses reported their leads

COST  
\$135

on average.

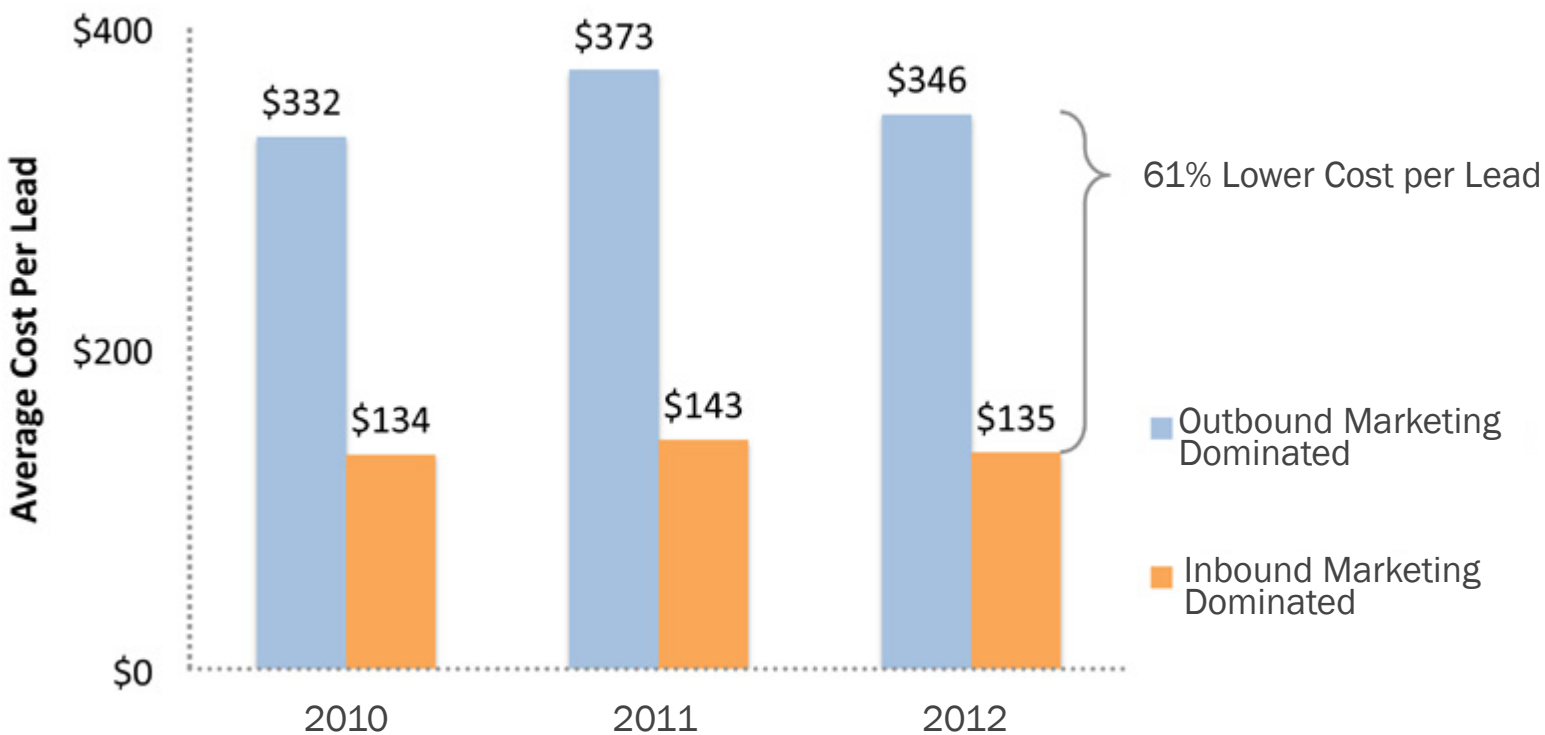
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Inbound marketing-dominated organizations experience a 61% lower cost per lead than outbound marketing dominated organizations.

### Average Cost Per Lead INBOUND VS. OUTBOUND



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This finding is remarkably consistent from year to year. The previous studies showed strikingly similar results: the 2010 survey and 2011 survey showed that inbound marketing-centric organizations experienced a 60% and 62% lower cost per lead respectively.

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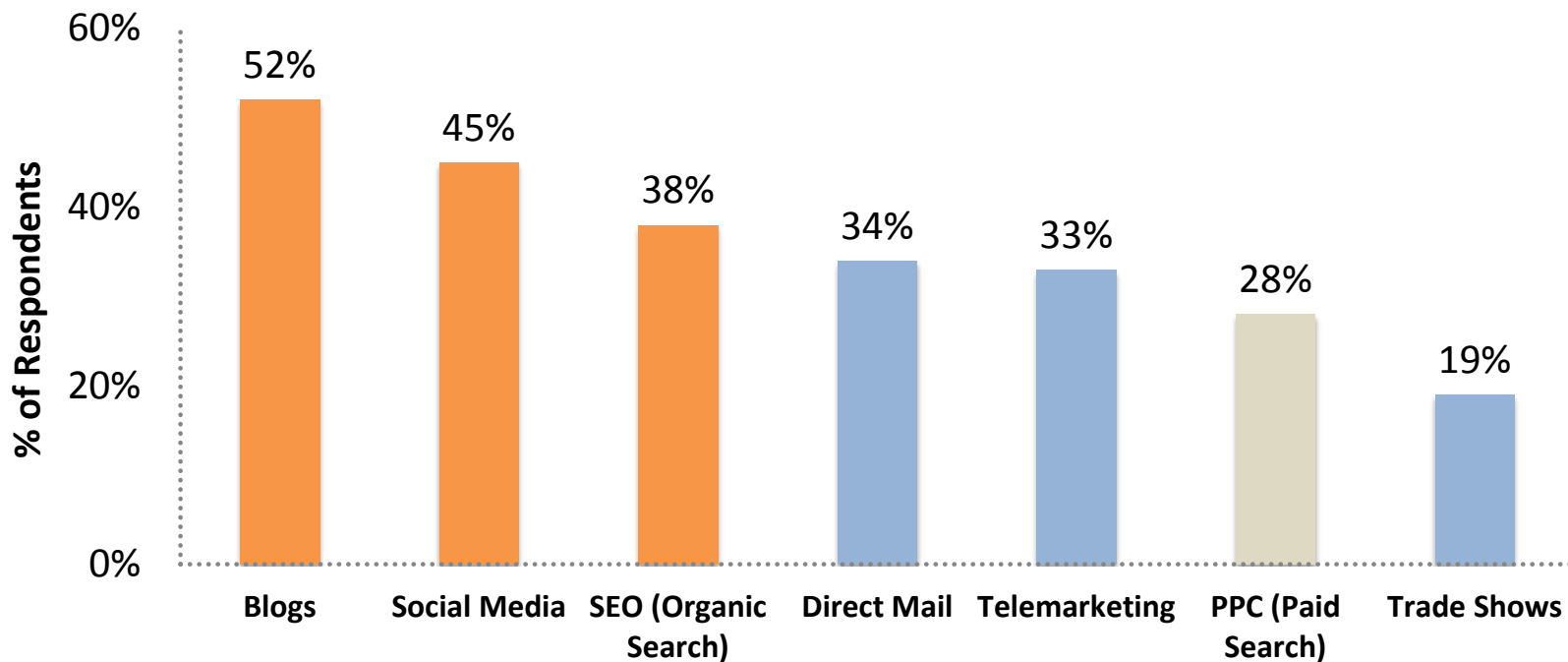


# The Three Inbound Marketing Channels Cost Less Than Any Outbound Channel

When asked to classify each lead generation category as “below average cost,” “near average cost,” or “above average cost,” businesses consistently ranked inbound marketing channels as having costs lower than outbound channels.

Blogs, social media and organic search maintained the top slots as least expensive.

**Below Average Cost Per Lead,  
% RESPONDENTS BY LEAD CHANNEL**



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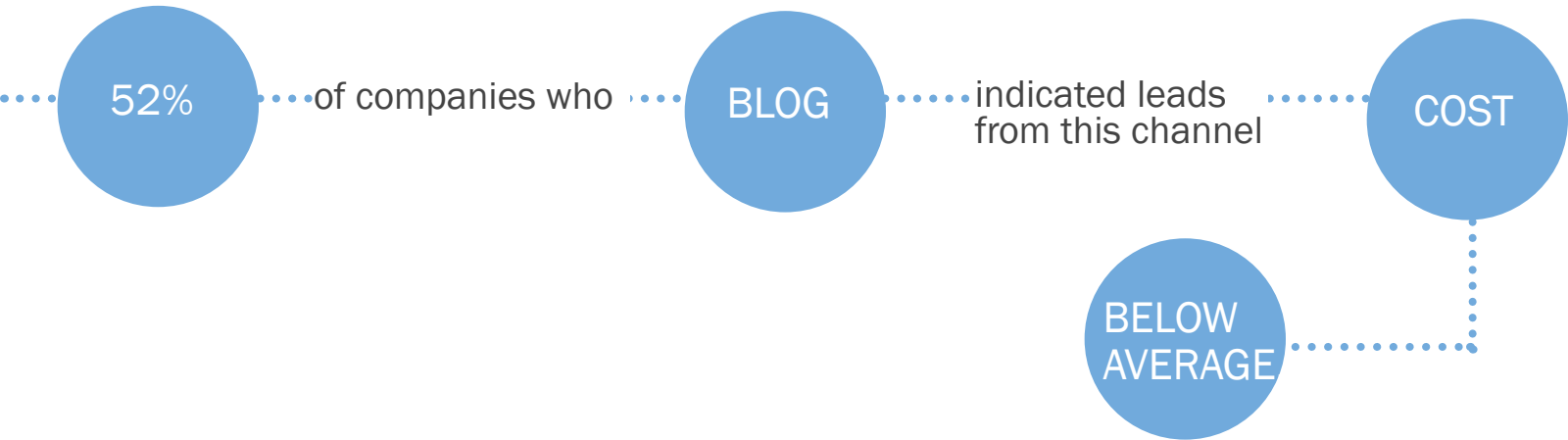


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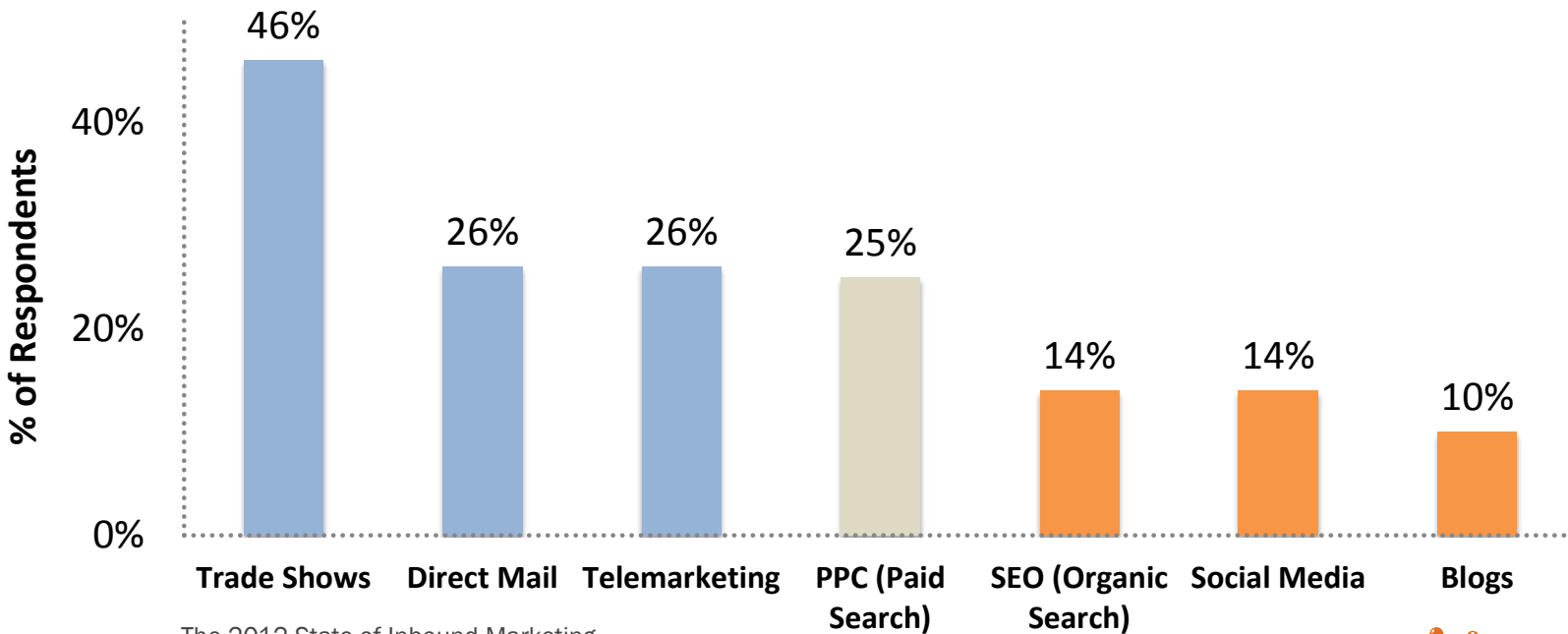




Blogs had the highest instance of being reported as “below average cost.” 52% of companies who blog indicated leads from this channel were “below average cost.” Trade shows, direct mail, and telemarketing were most frequently ranked as more expensive.



### Above Average Cost Per Lead, % RESPONDENTS BY LEAD CHANNEL



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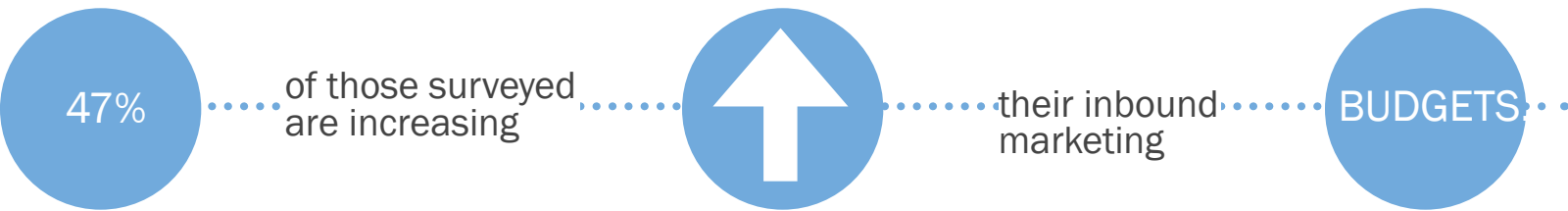


# Many Businesses Are Increasing Their Inbound Marketing Budgets

The survey asked, “How does your 2012 Inbound Marketing budget compare to your 2011 budget?” and “If your 2012 inbound marketing budget changed from your 2011 budget, what drove that decision?”

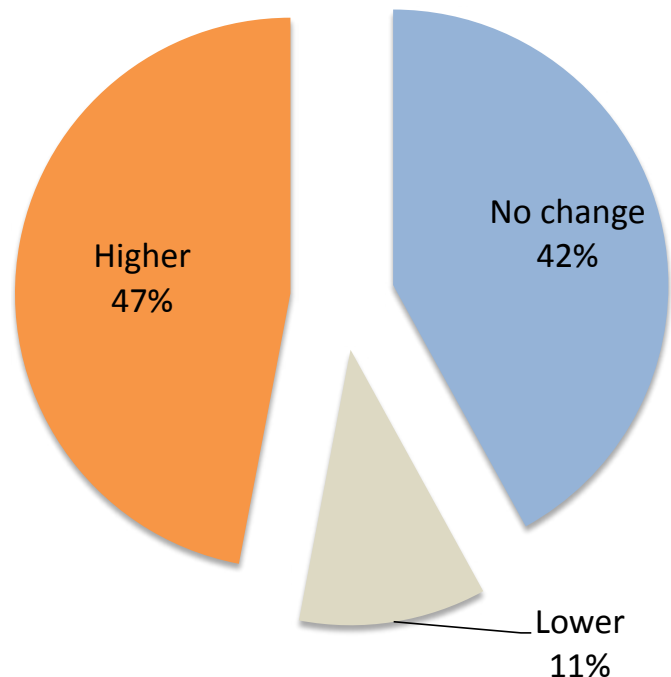


The data shows that a large percentage of businesses are consistently increasing inbound marketing budgets.



**How does your inbound marketing budget for the current year compare to your budget for the previous year?**

89% are either maintaining or increasing their inbound marketing budgets. Among the 47% of respondents with increased inbound marketing budgets, the most commonly cited reason was “past success with inbound marketing.”

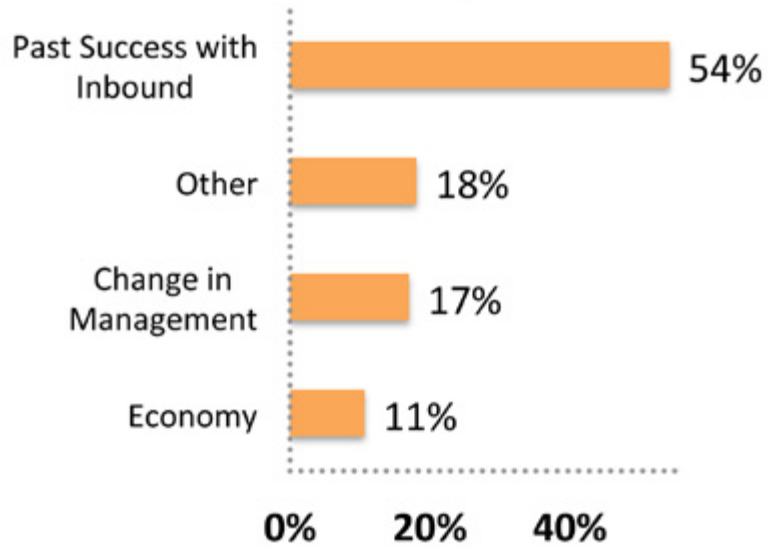


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### Why businesses are increasing inbound budgets?

Among the 47% of respondents with increased inbound marketing budgets, the most commonly cited reason was “past success with inbound marketing.”

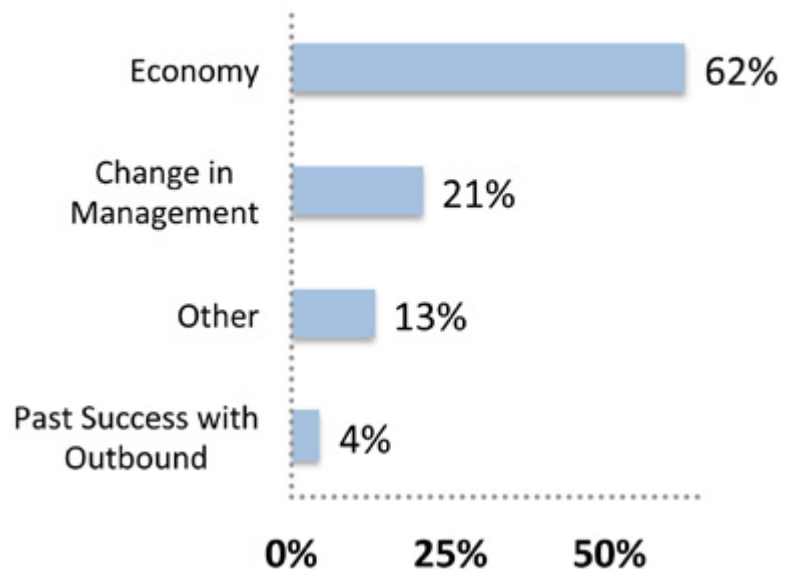


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### Why businesses are decreasing inbound budgets?

The majority of businesses attributed their decreasing budgets to the “economic conditions” (62%) or “a change in management” (21%).



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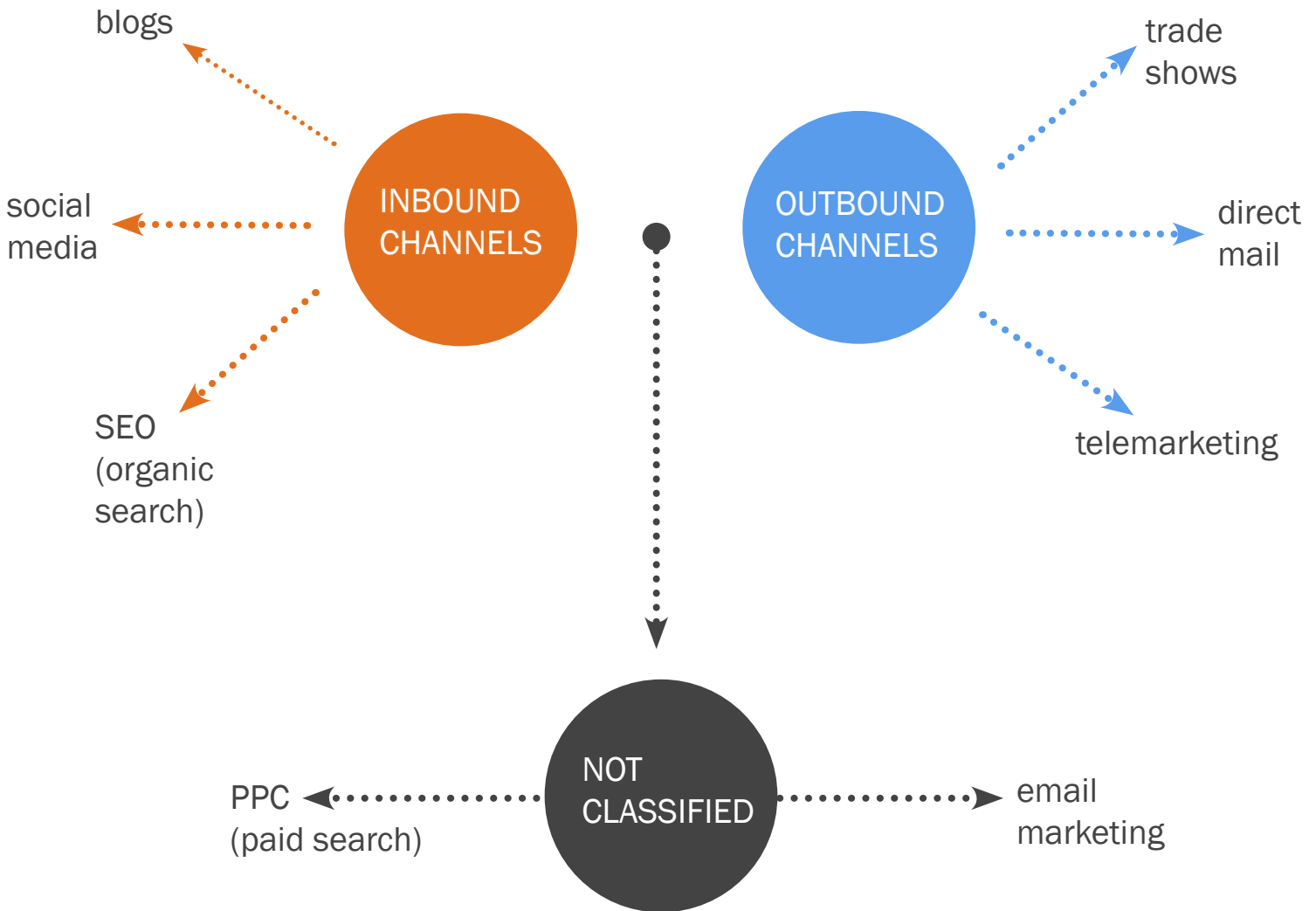
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# Distribution of Budgets Continues to Shift to Inbound Channels

We asked survey respondents what percentage of their lead generation budgets would be spent on each of the following nine marketing channels:



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The results show that:

The average portion of

BUDGET

dedicated to

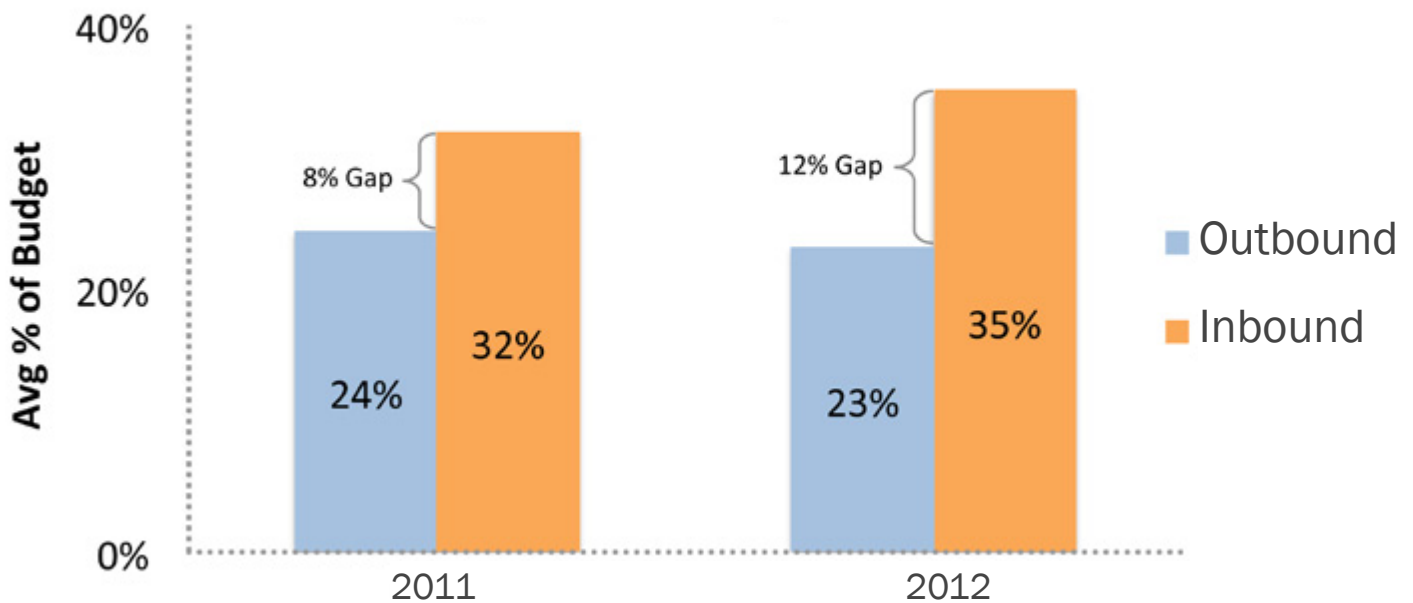
INBOUND

increased from 32% in 2011 to

35%  
in 2012.

The gap between inbound and outbound grew by 50% and continues to widen. Inbound marketing had an 8% greater share of the lead generation budget in 2011 in comparison to a 12% greater share in 2012.

**Lead Generation Budget Average Distribution, 2011 VS 2012**



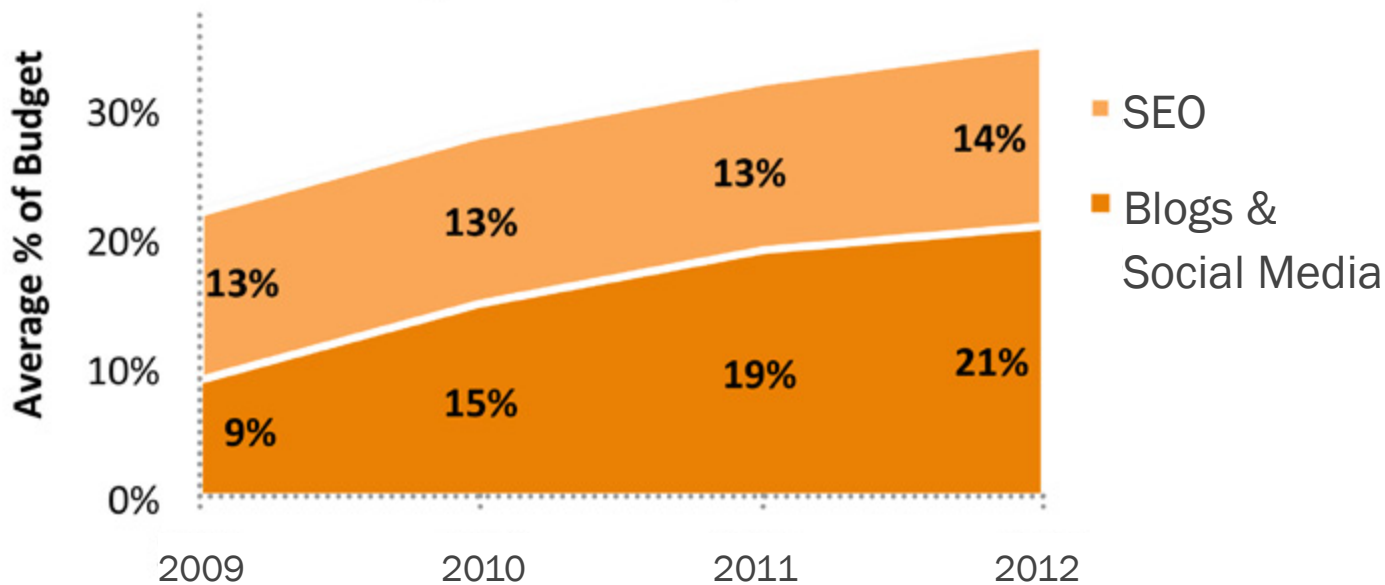




A more granular view of the data shows that:

- ..... Marketers are allocating more of their lead generation budgets to social media and company blogs.

### Inbound Lead Generation Budget Average Distribution, 2009 - 2012



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- ..... The average budget spent on company blogs and social media increased from 9% in 2009 to 21% in 2012. Much of this growth can be attributed to social media. In 2010, blogs were 7% and social media was 8% of total marketing budget; in 2012, they were 8% and 13%, accordingly.

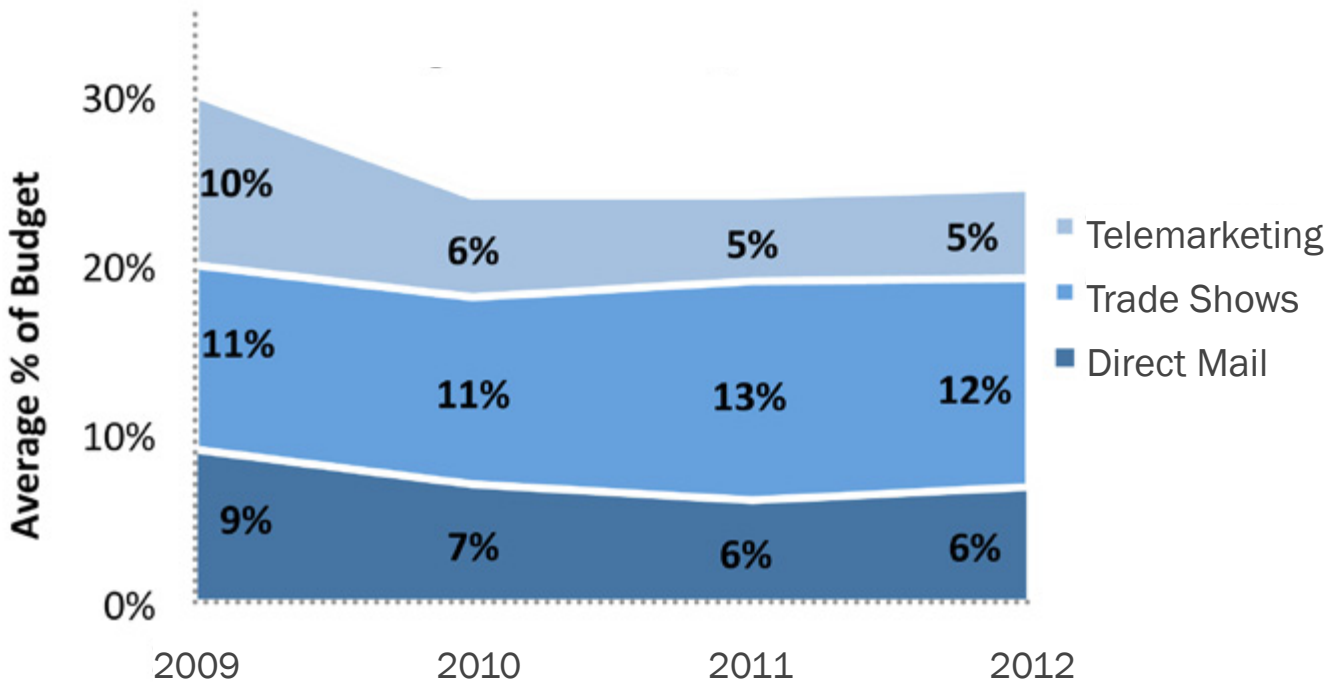
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- ..... The outbound lead generation budget, on the other hand, has been steadily decreasing over the last four years.
- ..... By taking a more granular look at the different outbound channels, we notice that the largest drop has been in relation to telemarketing. In 2009, telemarketing was 10% of the total marketing budget on average. In 2012, it half of what it used to be.

### Outbound Lead Generation Budget Average Distribution, 2009 - 2012



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# Small Companies Continue to Spend More of Their Budgets on Inbound Marketing

In a continuation of a trend identified in previous reports, small businesses are attempting to level the playing field by focusing on lower-cost inbound lead generation techniques.



In 2012, small businesses (1 to 5 employees) plan to spend 43% of their lead generation budgets on inbound marketing.

In comparison, large businesses (500 or more employees) only plan to spend 21% of their lead generation budgets on inbound marketing.

Small business are only giving 14% of their budget to outbound,

while large business are allocating 33% of their budget to outbound channels.

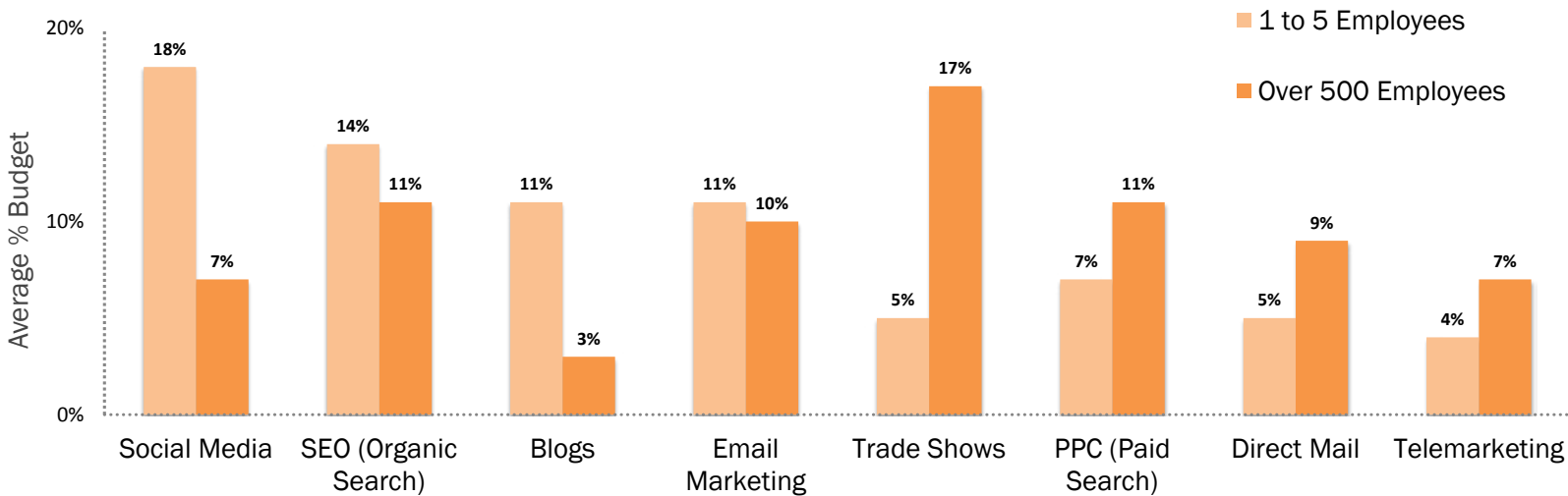
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- Small businesses plan to spend dramatically more of their budgets on social media and blogs.
- Large businesses plan to spend more of their budgets on outbound methods, including trade shows, direct mail and telemarketing.

### Average Distribution of Lead Generation Budgets, SMALL VS. LARGE BUSINESSES



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CHAPTER 2

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# INBOUND CHANNELS CONVERT LEADS INTO CUSTOMERS



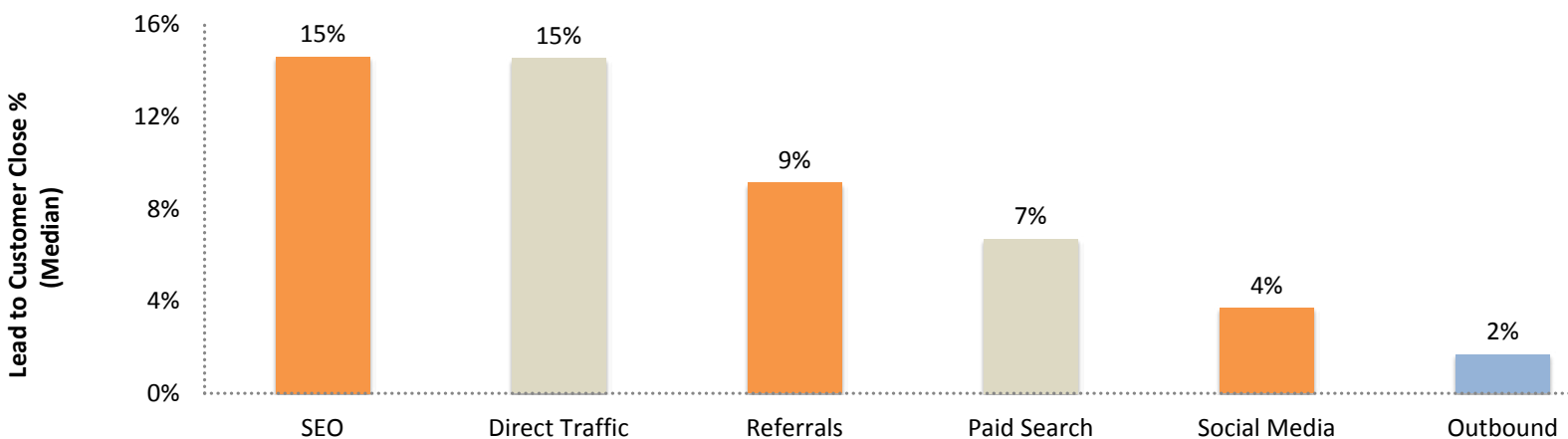
# Inbound Channels Produce Higher Quality Leads

The survey results clearly show that inbound leads cost less; but are they better quality? How well do inbound channels produce customers in comparison to outbound?

We looked at sample of over 150 businesses using closed-loop marketing analytics, and found the median lead-to-close rate of each business by the lead source. The data showed that:

- SEO leads have a 14.6% close rate, while outbound sourced leads have a 1.7% close rate.
- SEO leads are eight times more likely to close into customers than outbound leads.
- Leads from inbound links (referrals) are five times more likely to become customers than outbound leads.

### Lead-to-Customer Close % by Channel





# Social Media and Blogs Generate Real Customers

The use of social media and company blogs as marketing tools not only gets your company better brand exposure, but it also generates leads that result in real customer acquisition.

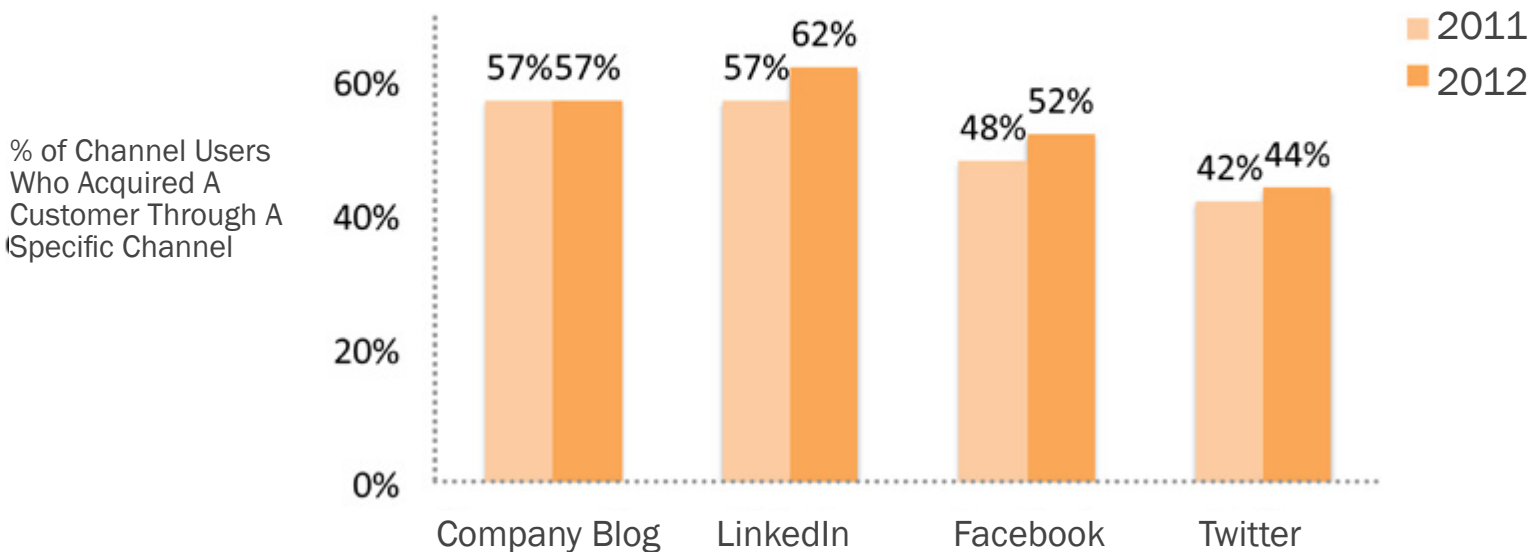


LinkedIn, Facebook, and Twitter are becoming more useful ways to acquire customers with significant growth in 2012.



Similarly, company blogs continue to be strong performers as 57% of companies have acquired a customer from that channel.

### Customer Acquisition by Channel



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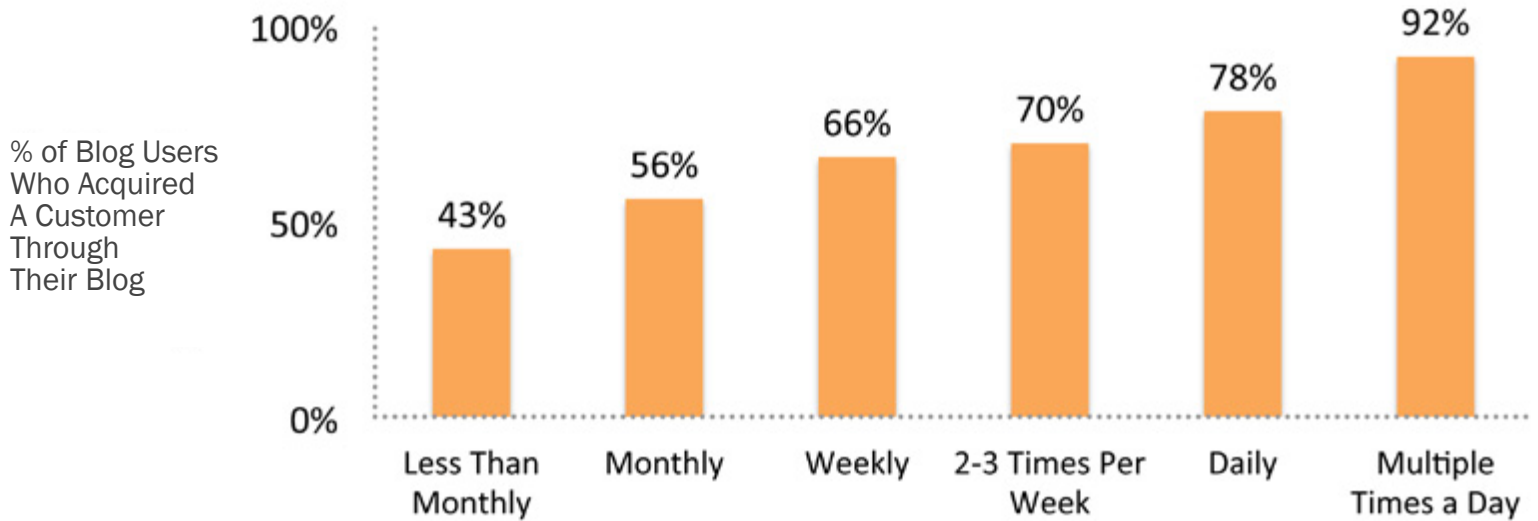




# Frequency of Blog Posts Directly Correlates to Customer Acquisition

If your blog is underutilized, you are leaving customers on the table. The 2012 survey shows a direct correlation between blog post frequency and new customers acquired.

## Blog Post Frequency vs. Customer Acquisition

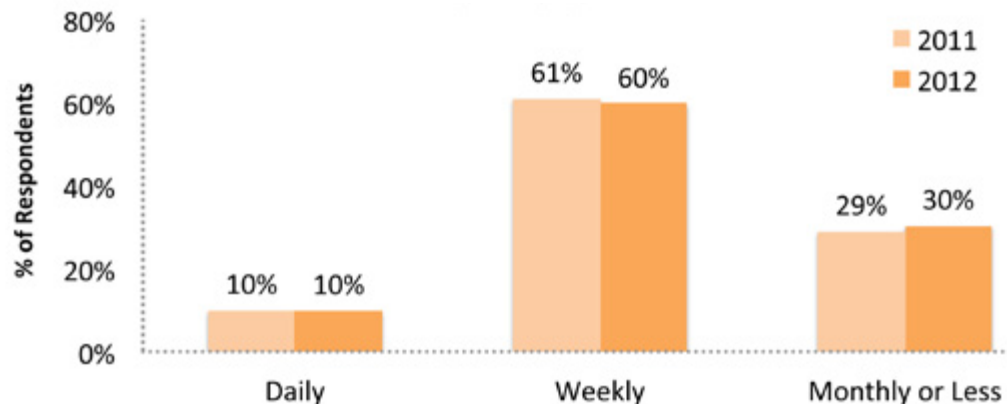


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Despite the evidence showing that increased blogging correlates with increased customer acquisition, it has remained relatively steady between 2011 and 2012. In 2012, 70% of respondents indicated they blog at least weekly.

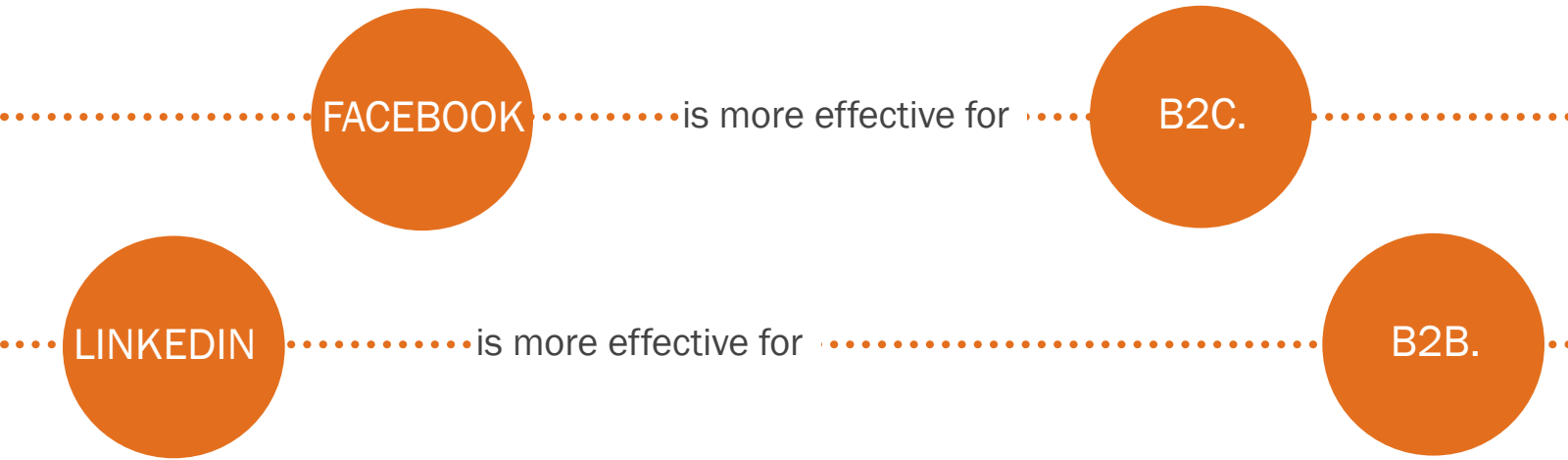
## Frequency of Blog Posts 2011 VS 2012



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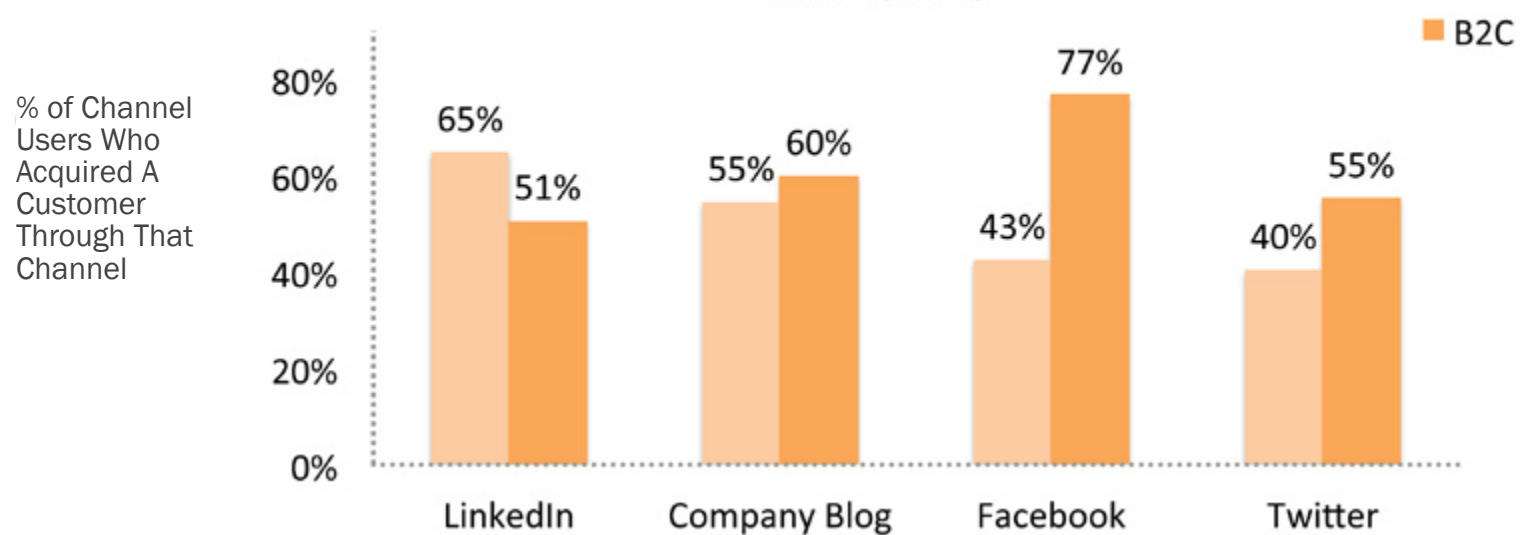






While both B2C and B2B companies were able to acquire customers through the channels below, there was a strong disparity in effectiveness depending on the type of business. The best platform for B2B companies was LinkedIn with 65% of respondents acquiring a customer through that channel, while 77% of B2C companies said that they had acquired a customer through Facebook.

**Customer Acquisition by Channel**  
B2B VS. B2C



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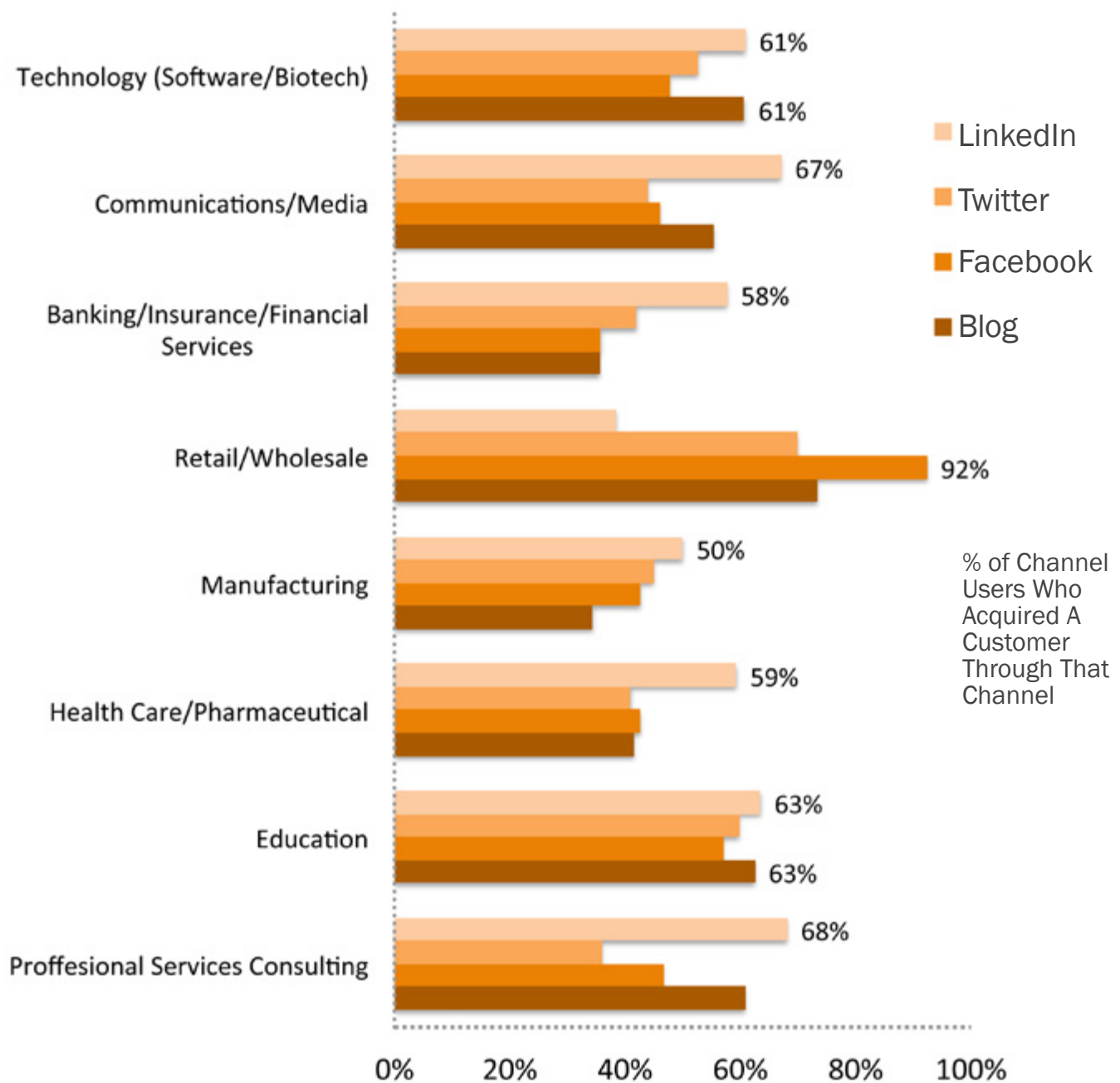




# Channel Effectiveness by Industry

A deeper dive into the customer acquisition results shows how the effectiveness of blogs, Twitter, Facebook and LinkedIn varies by industry.

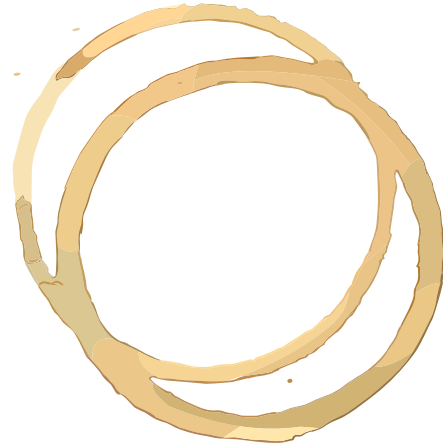
## Customer Acquisition by Channel by Industry





The major takeaways from this data include:

Technology, communications & media, retail & wholesale, education, and professional services & consulting, found blogging was highly effective.



All of those industries had over 50% of respondents indicating customer acquisition through their blog.

The retail industry experienced the most success through Twitter and Facebook.



50% of respondents from every industry, except retail and wholesale, indicated customer acquisition through LinkedIn.

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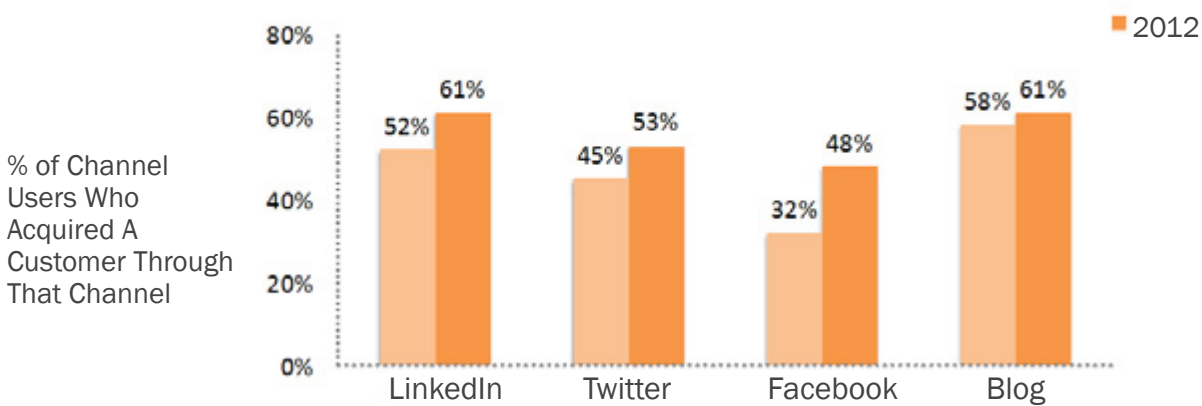
# Channel Effectiveness Trends

A closer look at customer acquisition trends in technology and retail & wholesale show how the influence of social media has grown over the past year.

For software & biotech, customer acquisition with Facebook has grown by half.

## Technology (Software/Biotech)

Customer Acquisition Trends for 2011 - 2012



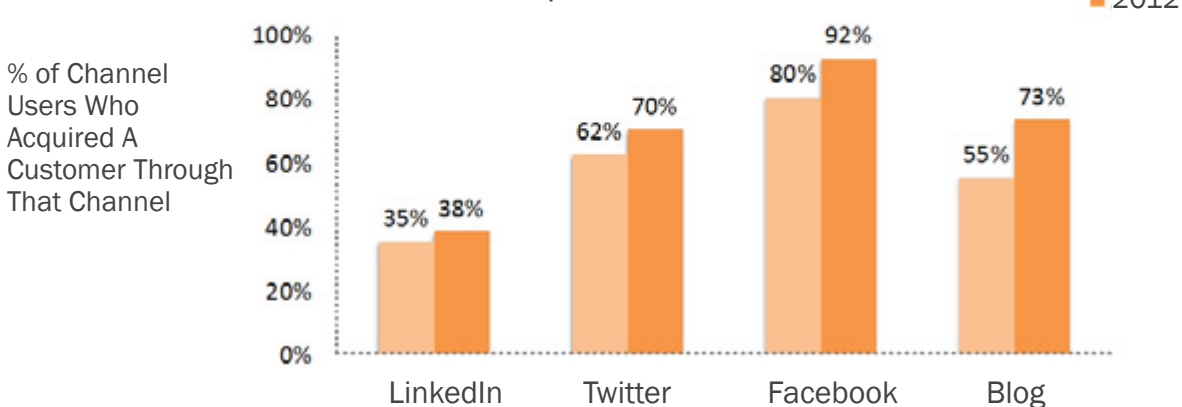
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Retail & wholesale saw customer acquisition growth across every channel from 2011 to 2012. Company blogs were especially effective with 33% year-to-year growth.

## Retail and Wholesale

Customer Acquisition Trends for 2011 - 2012



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CHAPTER 3

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# WHAT'S IMPORTANT TO MARKETERS?

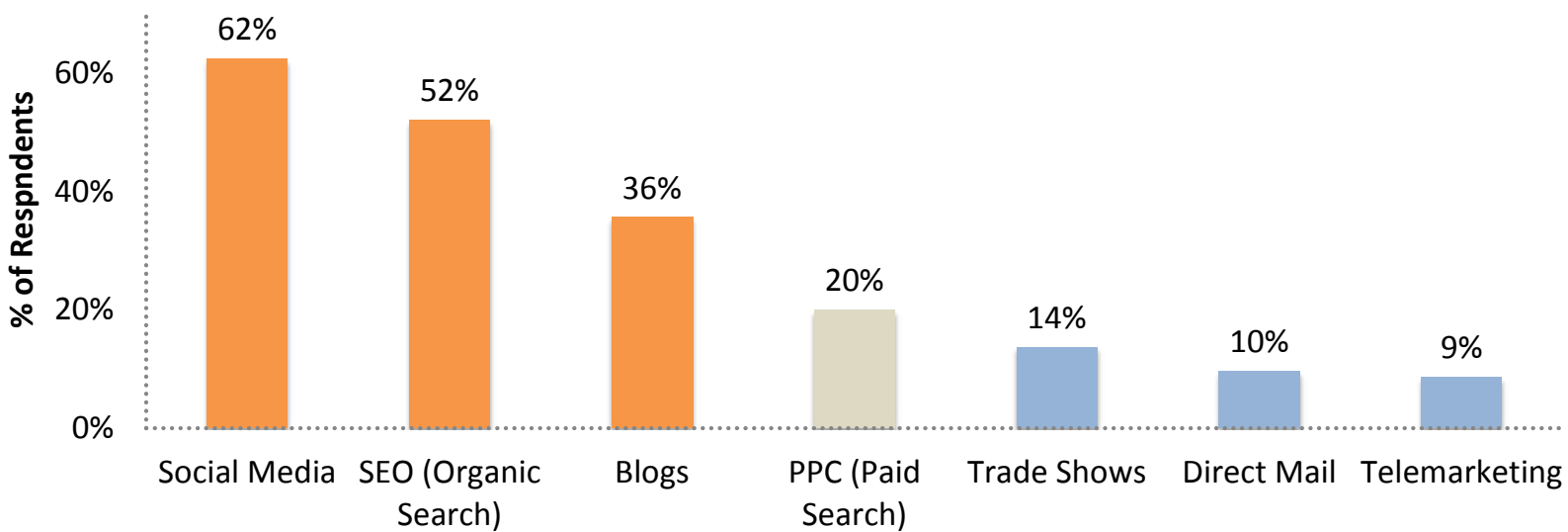


# Inbound Marketing Channels Continue to Grow in Importance

Not only are customer acquisition trends shifting toward inbound methods, but marketers are also becoming more aware of the advantages of inbound marketing.

- In the last six months social media, SEO, and blogs all were rated as more important by over 30% of respondents.
- Social media is continuing a strong growth trend. 62% of respondents rated it as more important which was consistent with the percentage in the 2011 survey.

## Which sources of leads have become MORE important to you over the last six months?

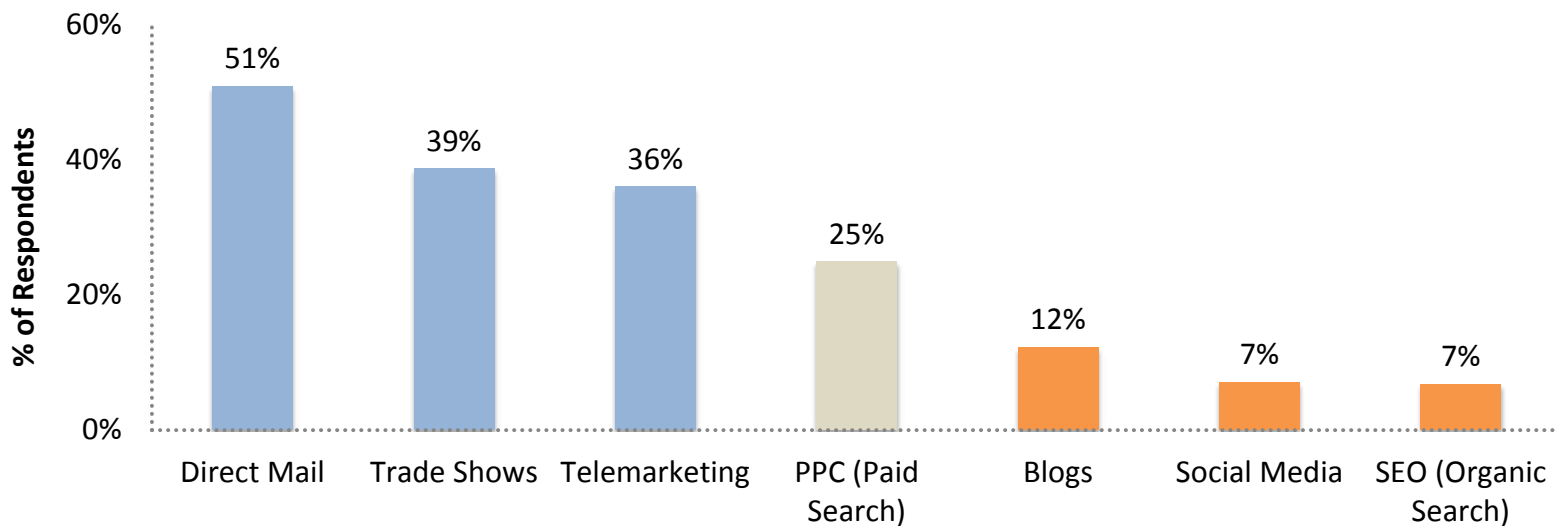




# “Direct mail, trade shows, and telemarketing are losing traction.”

Direct mail, trade shows, and telemarketing are losing traction. They were judged less important by over 30% of respondents.

## Which sources of leads have become LESS important to you over the last six months?



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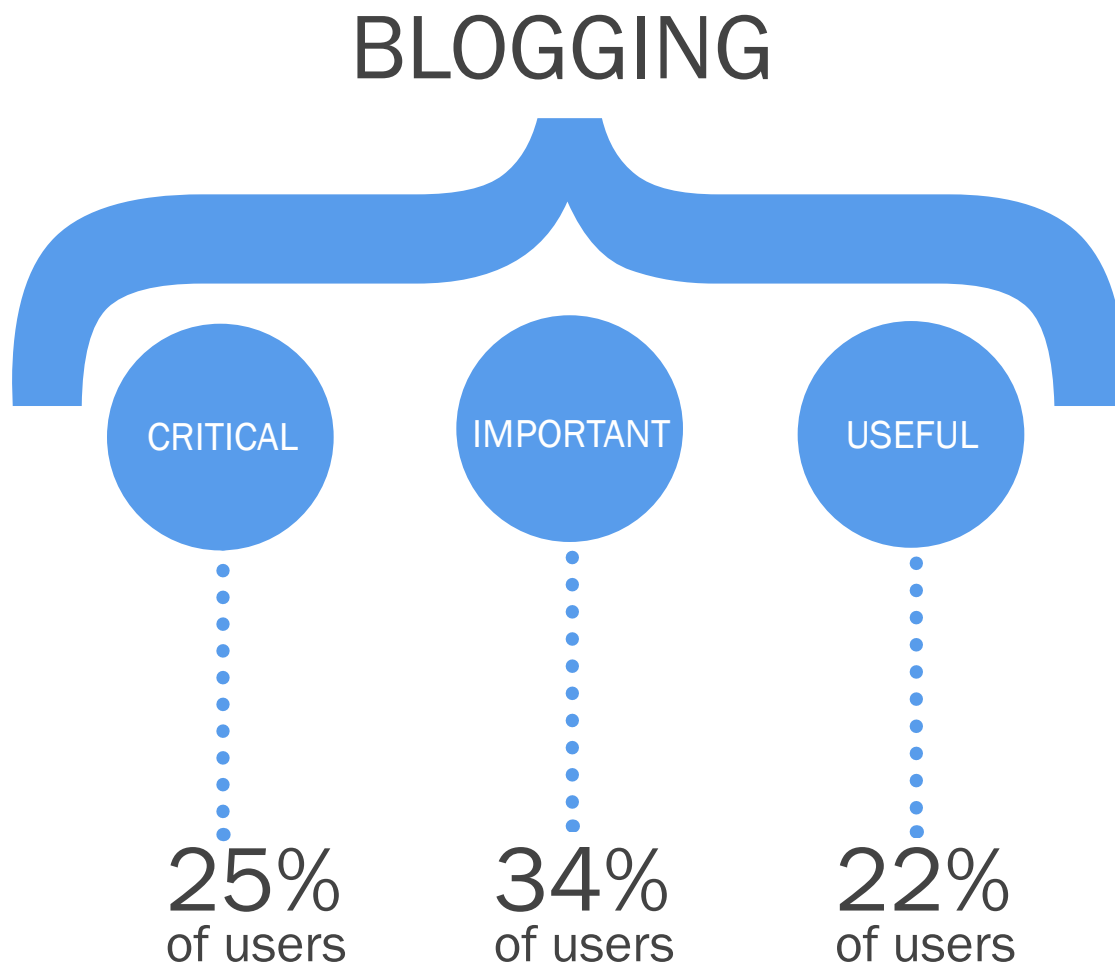
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# Blogs Remain the Most Important Media Channel

Respondents were also asked to rank the services that they use as “critical,” “important,” or “useful.” An impressive 25% of users rated their company blog as “critical” to their business. 81% of users rated company blogs as “useful” or better.



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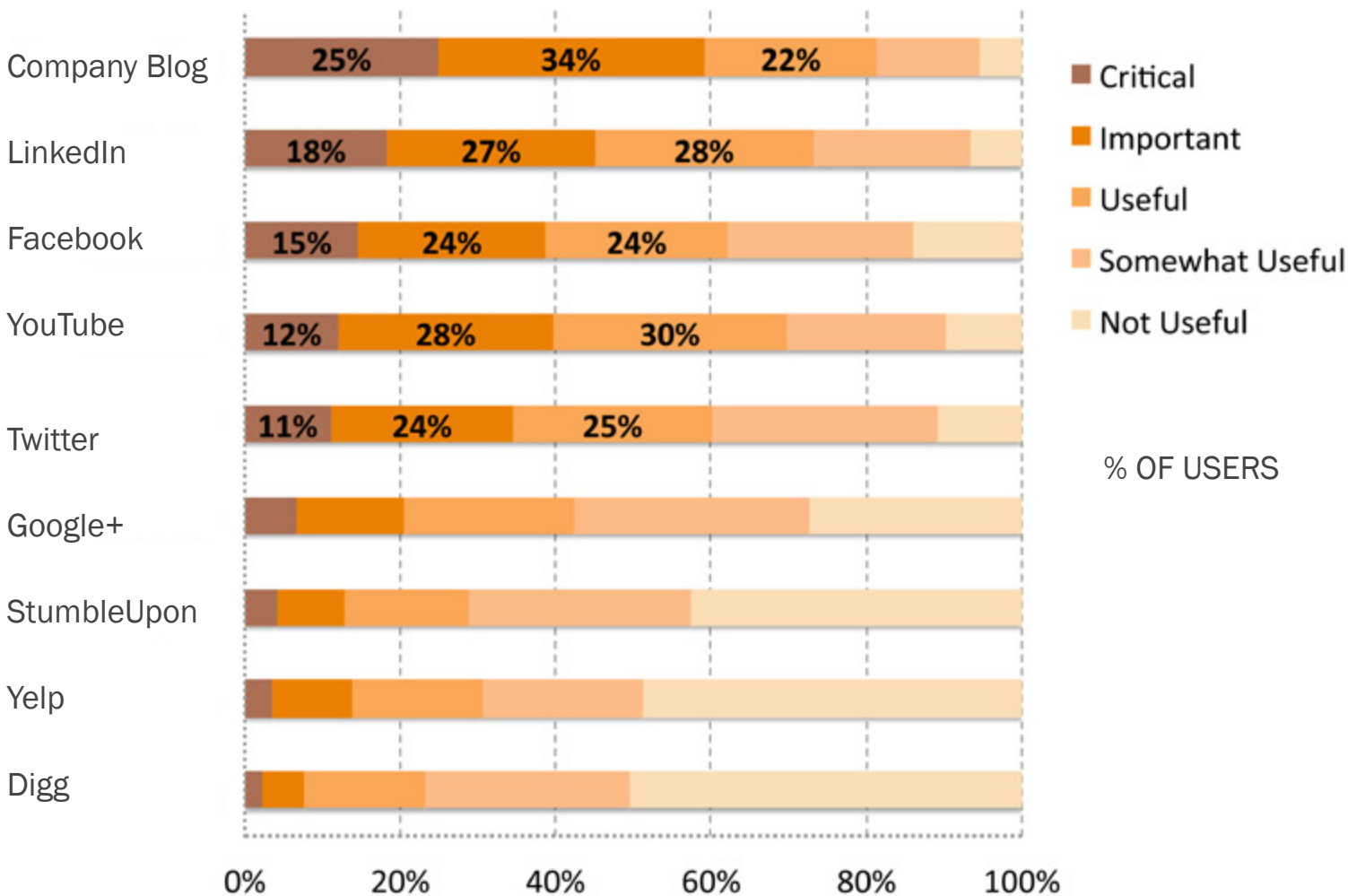






- ..... LinkedIn, YouTube, Facebook and Twitter were considered “useful” or better by over 60%.
- ..... In contrast StumbleUpon, Yelp, and Digg all had user bases where over 70% considered the channel only “somewhat useful” or “not useful.”

### How important are these services to your business?



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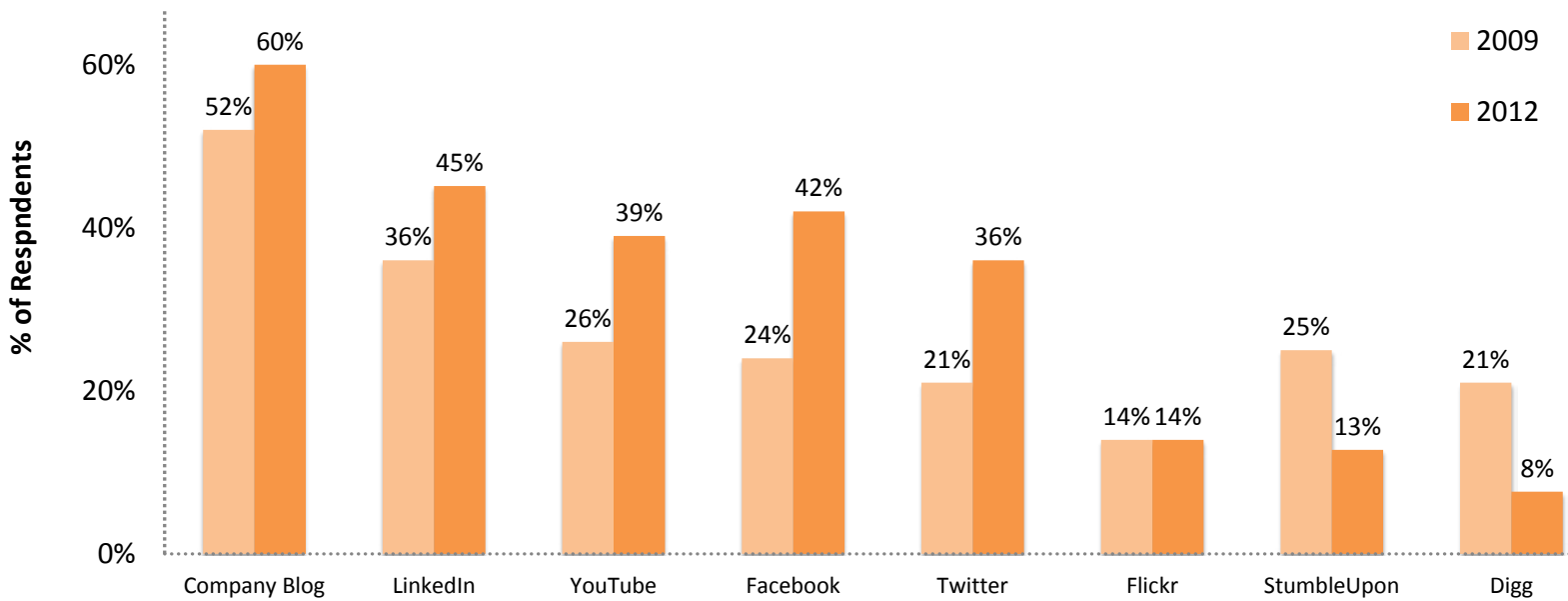




# Businesses Increasingly Value Blogs, YouTube, Facebook and Twitter

The results of both the 2009 and 2012 studies reveal that certain channels are gaining importance over time. The graph below shows the percentage of users who rated the channel as either “critical” or “important” in 2009 and 2012. The results of this comparison are displayed below:

### % Respondents Indicating Channel Was Critical or Important 2009 VS 2012



\*LinkedIn was not collected in 2009. Historical value provided is from the 2010 study.

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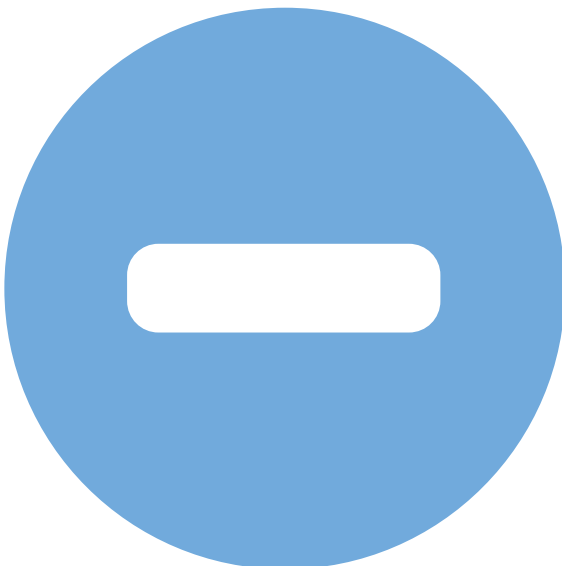
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Company blogs are increasingly valued. The blog is the channel most frequently reported as critical or important, both in 2009 and 2012.

YouTube, Facebook, and Twitter are increasingly important. Facebook has shown the biggest gain at 18%. It is followed by Twitter, with a gain of 15%.



StumbleUpon and Digg, on the other hand, have reduced in importance.

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# CONCLUSION & ADDITIONAL RESOURCES



“ *Businesses are transforming their marketing efforts to focus more on inbound programs.* ”

Traditional outbound marketing techniques – including direct mail, print advertising and telemarketing – are becoming less effective. Buyers are not only finding ways to tune these messages out, but more importantly, they now have the capability to evaluate the products and services they need on their own.

As a result, businesses are transforming their marketing efforts to focus more on inbound programs that allow customers to find them. The State of Inbound Marketing report shows that businesses that more aggressively practice this are capturing leads more effectively. Given the digital nature of inbound marketing, the marginal cost per customer acquisition is typically close to zero, meaning that as buyers continue to shift how they make purchases, the cost per lead for a given business will continue to decrease.

While it is clear that businesses are gravitating towards inbound marketing, some are moving more aggressively than others. Those who move first are more likely to reap the tremendous business benefits of this new era of marketing.



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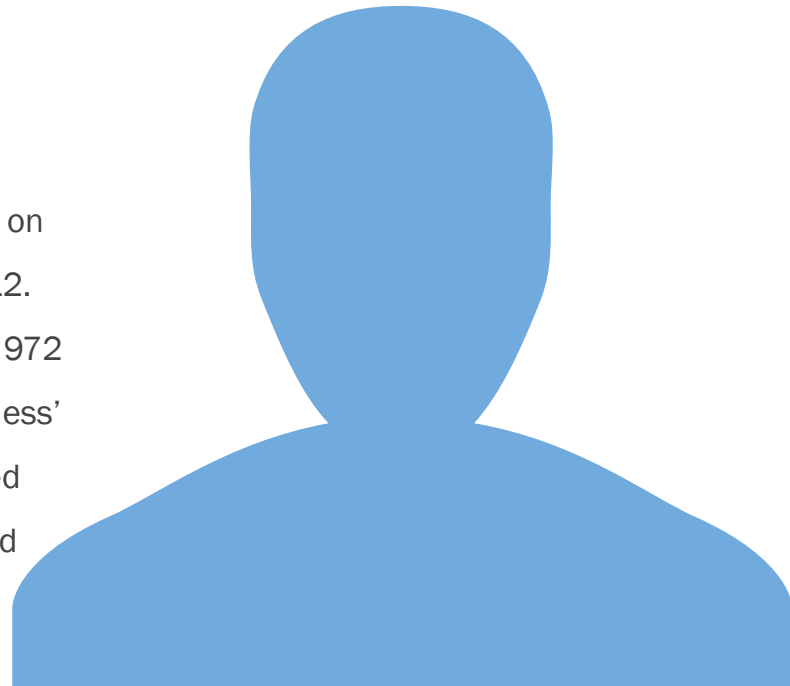
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# Respondent Profiles

The State of Inbound Marketing report is based on surveys conducted each year from 2009 to 2012. The 2012 results are based on responses from 972 professionals who were familiar with their business' marketing strategy. These professionals included marketers, business owners, entrepreneurs, and executives at companies of various sizes.



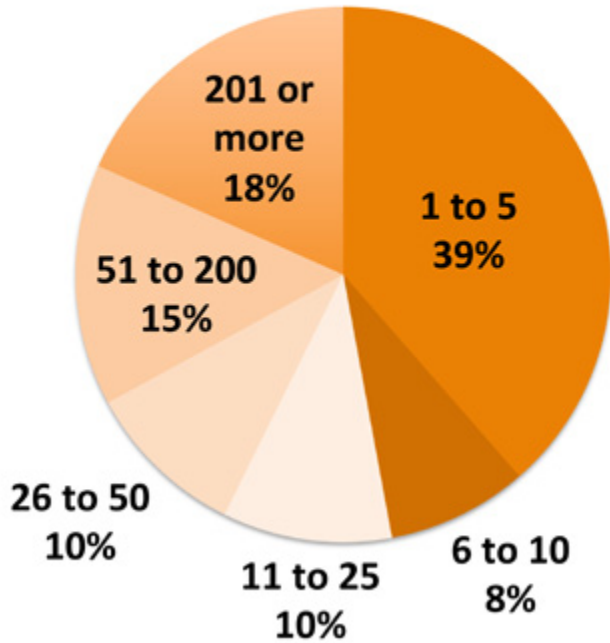
72% of these professionals worked in business-to-business companies and the range of industries varied greatly. Industries represented in the sample included retail, technology, professional services, and communications & media among others.

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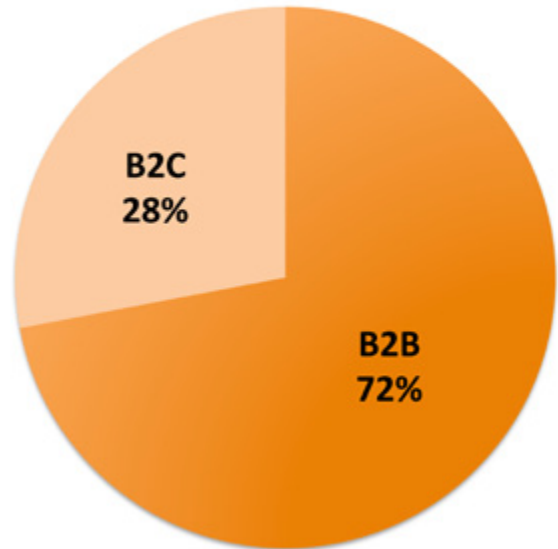
How many full-time employees does your company have?



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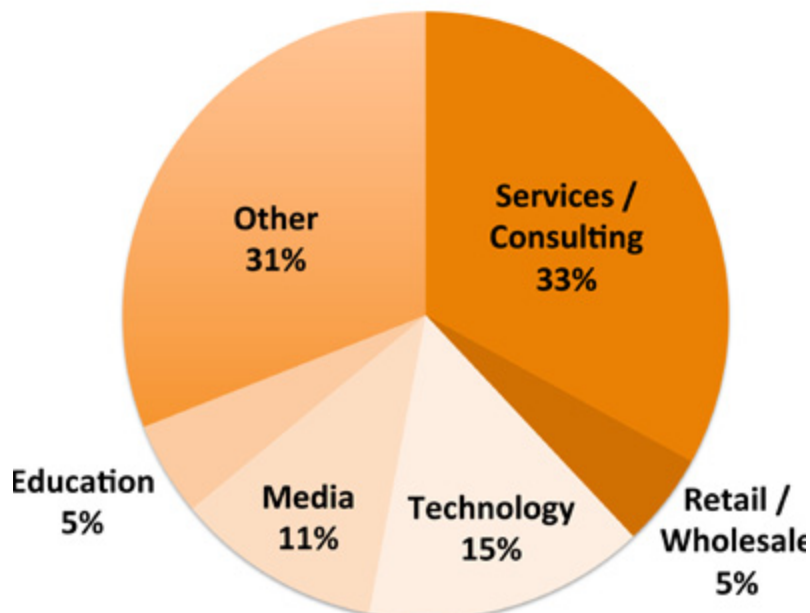
My business primarily sells to other businesses (B2B) or consumers (B2C)?



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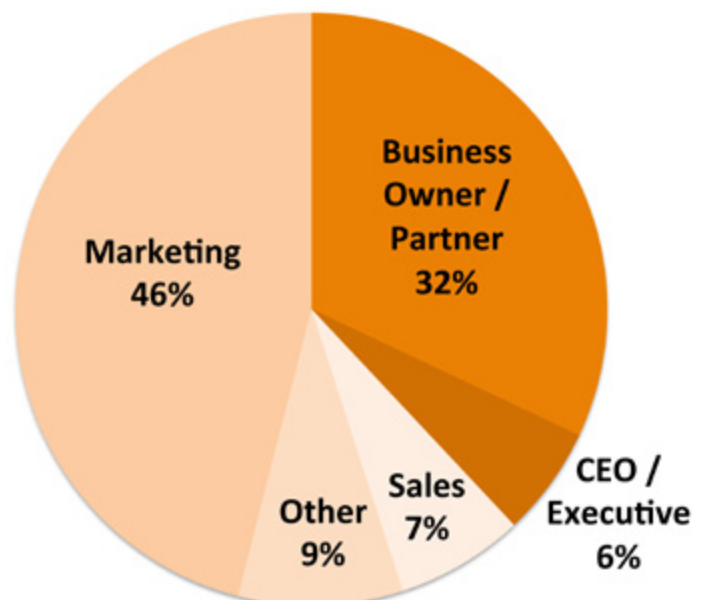
What best describes your industry?



The 2012 State of Inbound Marketing  
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What best describes your role?



The 2012 State of Inbound Marketing  
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## Sample Questions Asked

The survey was designed to collect data on the marketing practices and results for a wide range of businesses. This is the fourth consecutive year in which this survey has been conducted. Respondents were asked a series of questions related to their business' marketing programs the results they have seen. Most of the questions fell within three categories:

### MARKETING BUDGET AND SOURCES OF LEADS, INCLUDING:

- ..... What percent of your sales leads come from each of your lead channels?
- ..... What percent of your lead generation budget do you spend on each of your lead channels?
- ..... Estimate the cost per lead for each of your lead channels.



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## TRENDS IN “IMPORTANCE” AND “USEFULNESS” OF MARKETING CHANNELS AND LEADS, INCLUDING:

- Which sources of leads have become MORE important to you over last six months?
- Which sources of leads have become LESS important to you over last six months?
- How useful are social media sources to your business?



## FOCUS ON BLOGS AND SOCIAL MEDIA:

- Do you publish a blog?
- How often do you publish a post?
- Have you ever acquired a customer from the following social media / blog channels?



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