Online Marketing
for Professional Services Firms

How Digital Marketing Delivers Faster Growth and Higher Profits

www.hingemarketing.com

Hinge

Acknowledgements

We would like to thank the 500 CEOs and executives who took the time to participate in this study. Their willingness to share their marketing and financial performance metrics made this research far more valuable and relevant.

We would also like to extend our appreciation to the twenty online marketing specialists who offered their expertise and insights to this study. Their experience and knowledge add invaluable context to our research findings.

Special thanks go out to the four firms we profile as case studies:

Fortinet
www.fortinet.com

HPD Architecture
www.hpdarch.com

Kinaxis
www.kinaxis.com

PrimePay
www.primepay.com

In addition, we would like to thank the following organizations for helping us recruit study participants:

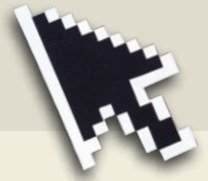**Society for Marketing Professional Services**
www.smps.org

Association for Accounting Marketing
www.accountingmarketing.org

Executive Summary

This study examines the current state and untapped potential of online marketing in professional services firms. Two groups were studied:

- 500 professional services firms
- An Expert Panel of 20 top online marketing authorities

For the first time, results demonstrate that firms embracing online marketing grow faster:

- Firms generating 40% or more of their leads online grow 4X faster than those with no online leads
- High growth firms obtain 63% of leads online while average firms obtain 12%
- Greater engagement with online tools is associated with faster growth

Using online marketing also increases firm profitability:

- The greater a firm's online lead generation, the greater its total profitability
- Firms generating 60% or more of their leads online are 2X more profitable than those generating less than 20% of their leads online

Online marketing is widespread and poised for growth:

- Over 77% of firms generate at least some new business leads online
- 46% of firms have redesigned their website within the past year
- About 66% of firms plan to increase online spending in the next 12 months
- The average anticipated increase is 56%

Online recruiting is also widespread:

- 55% of firms recruit employees online
- About 1 in 4 firms attract 40% or more new hires online

There are notable differences across industry groups:

- Management Consulting and Technology firms embraced online marketing and grew fast

- Accounting and Architecture/Engineering/Construction (A/E/C) were among the least likely to adopt online marketing and grew relatively slowly

- Marketing/Communications were the biggest users of online lead generation

- Government Contractors lagged in lead generation but were leaders in online recruiting

Level of use and effectiveness was assessed for 15 common online marketing tools:

- Among the most effective tools were Search Engine Optimization, Blogging, and Web Analytics

- Among the least effective were Banner Ads, Facebook and YouTube

- The Expert Panel identified a number of tools with significant untapped potential

1
Introduction

A revolution is underway in the professional services marketplace.
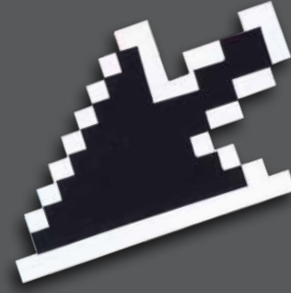
In this study of 500 professional services firms, we have made some remarkable discoveries. For the first time, we have proof that the use of online marketing produces higher growth and profits.

For all those who believe professional services can only be sold face to face, this study is a wake-up call. But using online tools isn't enough. To achieve optimal results, you have to know which ones create leads and which are less efficient.

This study will help you make better choices — and introduce you to a more powerful way to grow your business.

Happy marketing!

The Hinge Team

For the first time we have proof that the use of online marketing produces higher growth and profits.

2
Methodology

This study includes results from professional services firms and an Expert Panel.

This study includes results from two distinct sample groups:

- 500 professional services firms
- An Expert Panel of 20 online marketing leaders

The Firms We Studied

Hinge invited professional services firms from across the United States to complete an online survey that explored their use of online marketing techniques, how well they believed these techniques helped their firms achieve business development and recruiting goals, and their current practices and future plans. In addition, we asked each participant about their firm's growth and profitability.

A total of **{500}** professional services firms completed the survey.

319 average employees

Average firm size:
$53,929,835
annual revenue

The sample included five primary industry groups.

Fig. 1 Sample Composition by Industry Group

- Architecture/Engineering/Construction
- Marketing/Communications
- Management Consulting
- Accounting/Finance
- Technology Services
- Other

36.8%
16.0%
15.8%
11.4%
9.8%
10.2%

% of Sample
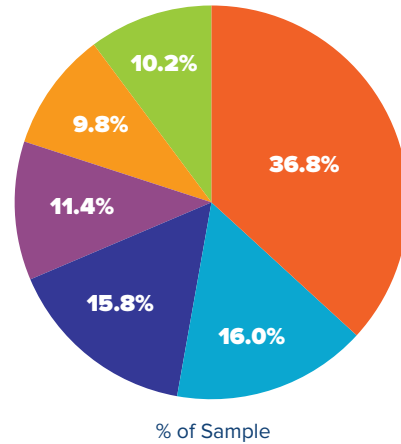
It included firms that engaged in varying levels of Government Contracting.

Fig. 2 Government Contracting Mix

0%	50.7%
1-49%	31.7%
50-100%	17.7%

17.7%
50.7%
31.7%

% of Sample
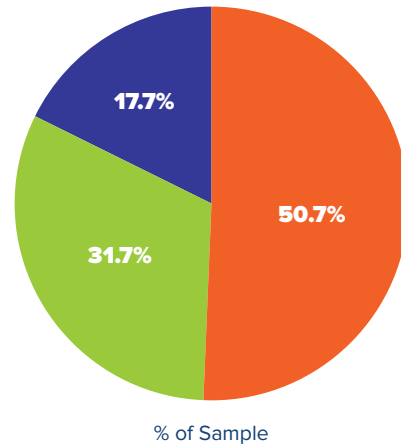
Respondents tended to hold senior-level positions within their firms.

Fig. 3 Position in Firm

- CEO/President/Managing Partner
- Partner/Principal
- Marketing or Business Development - Executive
- Marketing or Business Development - Other
- Other

5.0%
29.6%
24.1%
14.1%
27.2%

% of Sample

Firms ranged in size from under $1 million in revenue to over $1 billion. We compared the size distribution of the sample to that of the overall US economy (based on US census data). Relative to the overall economy, this study oversampled larger firms and undersampled small firms.

Fig 4. Revenue Distribution

Census Data   Study Sample

% of Firms

Revenue Range

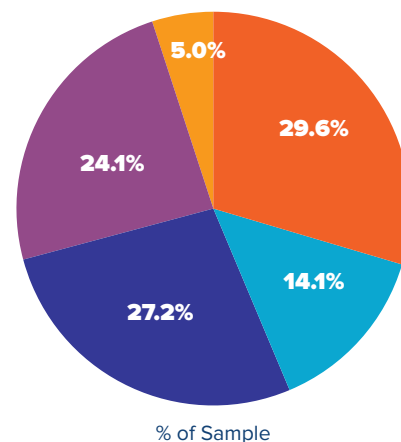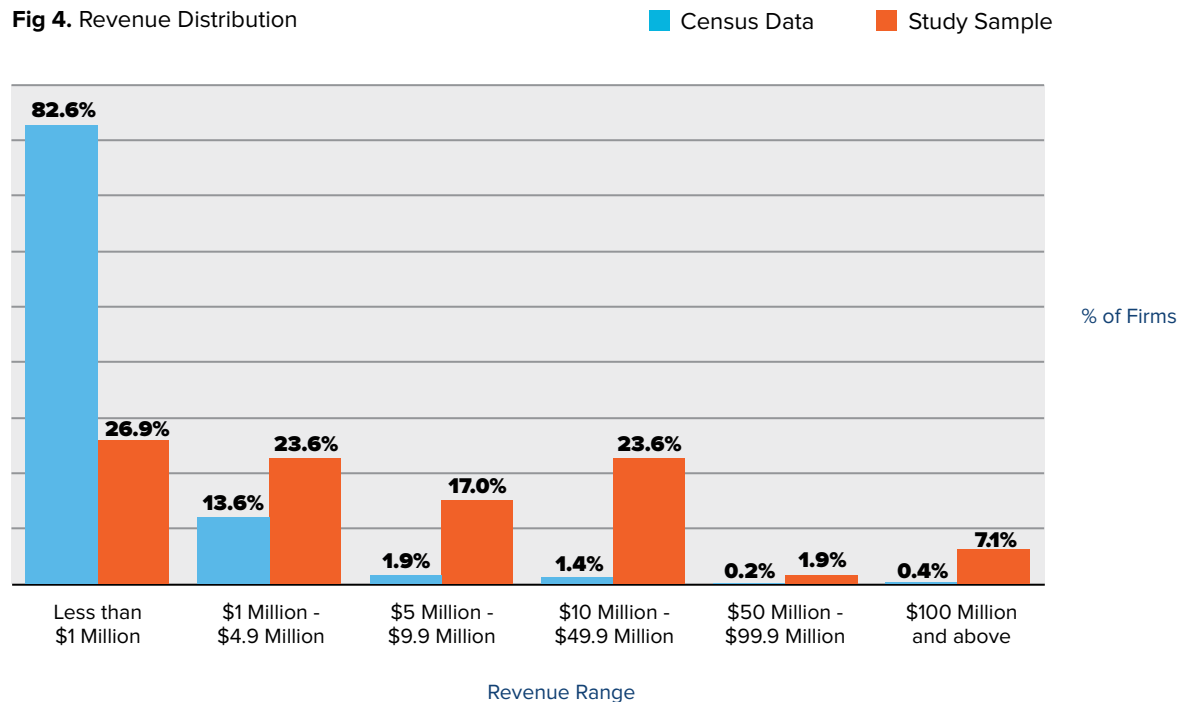## Our Panel of Experts

A panel of 20 top experts in online marketing provided insights into best practices. These individuals are introduced more fully in Chapter 9.

Ann Handley	Eric Enge	Jim Boykin	Lon Safko
Brad Geddes	Ginny Redish	Joe Pulizzi	Mari Smith
Bryan Eisenberg	James Beswick	Justin Cutroni	Michael Fleischner
Danny Dover	Jason Burby	Kris Jones	Tim Ash
David Meerman Scott	Jennifer Abernethy	Kristina Halvorson	William Albert

3
Online Lead Generation

Are professional services firms generating leads online?

As we look around the professional services world, we believe that online tactics are here to stay. But do these tactics result in new business?

Online Lead Generation

In this study, over 77% of firms generate at least some new business leads online. Most commonly (in 48% of responses), firms generated less than 20% of total leads online, although almost a quarter generated no online leads at all.

A significant number of firms, however, produce a high percentage of leads through online marketing. Approximately 15% of firms generate 40% or more of their new business leads online. Clearly, online lead generation can be an effective strategy in the modern professional services firm.
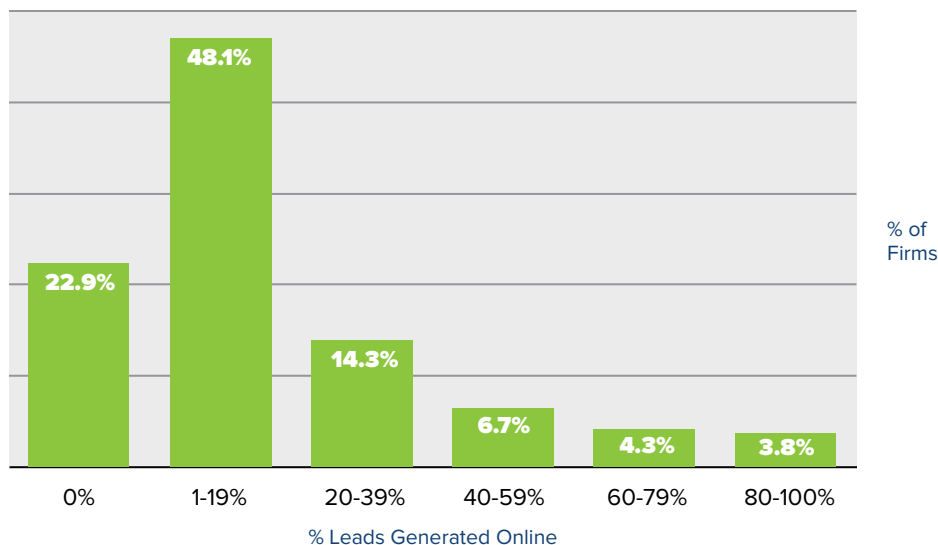
Almost 15% of firms generate 40% or more of their new business leads online.

Fig 5. Online Lead Generation

% of Firms

48.1% — 1-19%
22.9% — 0%
14.3% — 20-39%
6.7% — 40-59%
4.3% — 60-79%
3.8% — 80-100%

% Leads Generated Online

Lead Generation and Firm Growth

What impact does online lead generation have on firm growth? This is a key question that may shape the future role of digital marketing for the professional services sector.

Fig 6. Firm Growth and Online Lead Generation*

Median 2 Year Growth Rate

% Leads Generated Online

The group of firms growing at the highest rate is generating 40-59% of leads online.
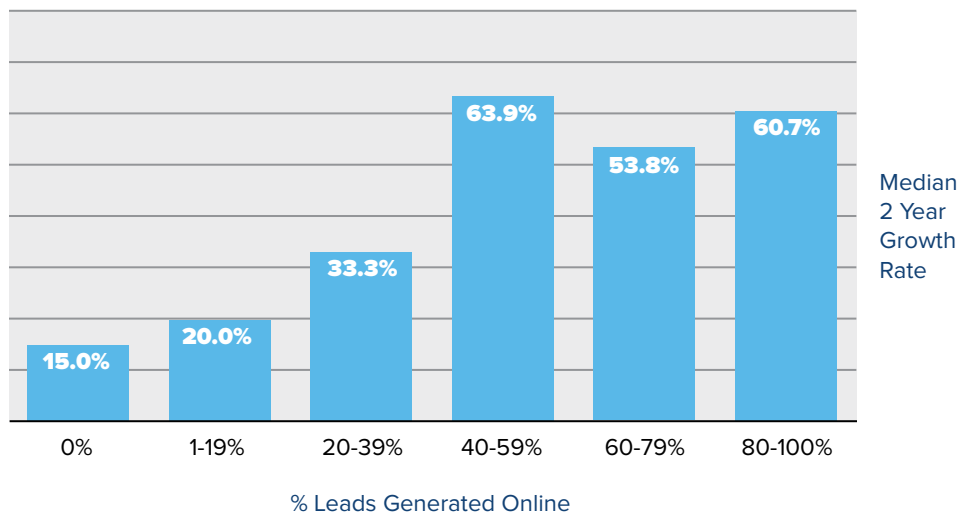
The data show that firms generating a high percentage of leads online are growing at a faster rate. The median growth rate of firms generating 40-100% of leads online is four times greater than the median growth rate of firms generating no online leads. The group of firms growing at the highest rate is generating 40-59% of leads online. This balanced approach of traditional and online marketing strategies may represent a "sweet spot" that creates optimal results.

*Given the potential of very large and very small firms to skew the results, we selected the median values as the most stable measure of central tendency.
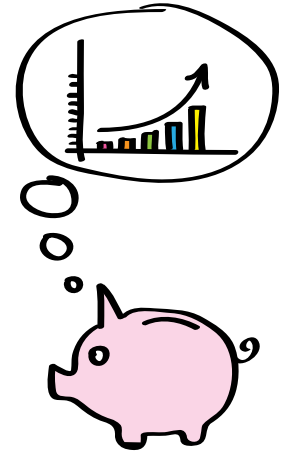
Lead Generation and Firm Profitability

Profitability is the other key aspect of financial performance. Does online lead generation impact firm profitability?

Fig 7. Profitability and Online Lead Generation

Median Current Profitability as % of Revenue

% Leads Generated Online
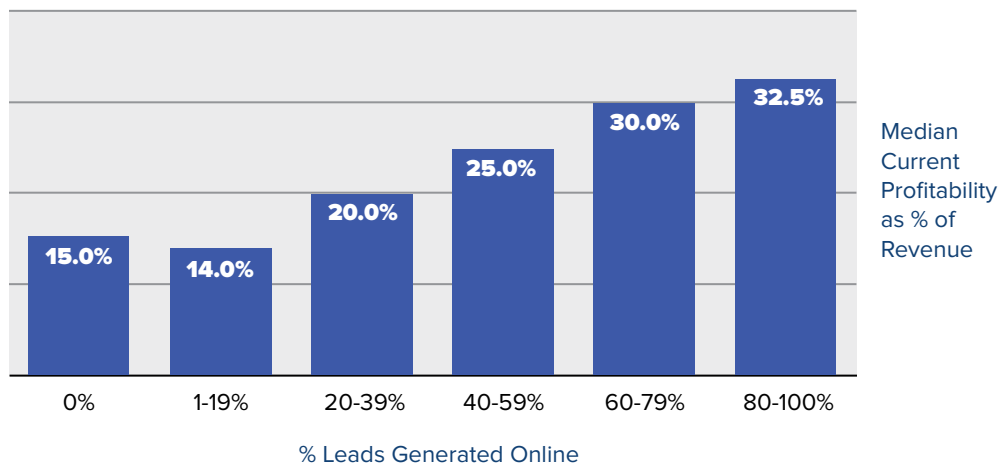
Firms that generate a higher percentage of leads online grow faster and are more profitable.

The percentage of leads generated online directly correlates with profitability. Firms that generate less than 20% of leads online tend to be less profitable than the rest. Firms that generate 80-100% of leads online tend to be more profitable.

WHY MORE PROFITABLE?

Why are firms that generate a higher percentage of online leads more profitable? Our data does not provide a definitive answer, but one explanation is that over the long term, online marketing simply costs less than traditional marketing. For example, consider a firm that makes an upfront investment in search engine optimization. Once the firm achieves top search engine rankings, the leads continue to flow in without incurring high ongoing costs. Contrast this against traditional marketing techniques, which often come with sustained campaign expenses. Data supporting this view have been published by Hubspot. They found that online leads generated from inbound marketing had a 62% lower cost per lead than those generated using traditional approaches such as trade shows, direct marketing and telemarketing. (www.Hubspot.com/state-of-inbound-marketing/)

How Fortinet Uses Social Media

It's easy to dismiss Facebook and Twitter as a waste of company time and a productivity killer. But in the case of Fortinet, a network security firm with an extraordinary grasp of social media, there's nothing unproductive about it.

Marketing Senior Manager Maeve Naughton and her team have found unique ways to use popular social media tools to increase their brand visibility in the marketplace. Here are a few of the areas in which they concentrate:

CONNECT WITH FORTINET

www.fortinet.com
Twitter: *@fortinet*
Facebook: *fortinet*
Linkedin: *Enterprise Network Security*
YouTube: *SecureNetworks*

Twitter
Naughton spends one or two hours each day managing the firm's Twitter account. The company uses Twitter to answer customers' questions — an increasingly important way the company provides customer support.

Facebook
Naughton devotes a similar amount of time to the firm's Facebook page. Facebook is great for relationship building: answering questions, engaging with visitors and establishing trust with prospects. Fortinet received a tremendous response when they asked their Facebook fans to submit humorous pictures for the opportunity to win free T-shirts.

LinkedIn
Run jointly by the HR department and Naughton, LinkedIn has been invaluable for recruiting at Fortinet. LinkedIn's extensive jobs section and high credibility with the sorts of people Fortinet hires, makes it a prime place to discover talent. Fortinet also maintains a LinkedIn Group in which members can discuss network security issues.

YouTube
The Product Marketing Team spends two hours each week placing and managing product demo videos on YouTube. They use the venue to showcase Fortinet's latest products and services.

"Social media is absolutely paying off," says Naughton. "We are far more visible, and our engagement numbers are going up." She offers three pieces of advice for firms that want to invest in social media:

1. **Involve the team —** Social media doesn't have to be a full-time job. If you spread responsibility across multiple departments, it is often more manageable. The more people you have involved, the more ground you can cover.

2. **Keep it personal —** People don't want to buy from a company. They want to buy from people. A lively Facebook page with active conversations and friendly people encourages prospects to interact and build a relationship with your business.

3. **Be transparent —** Authenticity is key. Welcome the people in your network to explore your company page and get to know your culture. Post company pictures and videos, and be open to the world. People love a company with personality.

4
Online Recruiting

To what extent are firms using their online presence to attract new employees?

Prevalence of Online Recruiting

Recruiting is a key issue for many professional services firms. As the data show, over half of the firms surveyed use their online presence, in some capacity, to recruit new employees.

About 25% of firms attract 40% or more of their new hires online.

In contrast, 45% of firms are not currently leveraging their sites for this purpose and have attracted no new employees through their websites or other online tools.

Fig 8. Online Recruiting

% of Firms

Bars:
- 0%: 44.9%
- 1-19%: 18.7%
- 20-39%: 11.0%
- 40-59%: 8.6%
- 60-79%: 5.7%
- 80-100%: 11.0%

% Hires Recruited Online
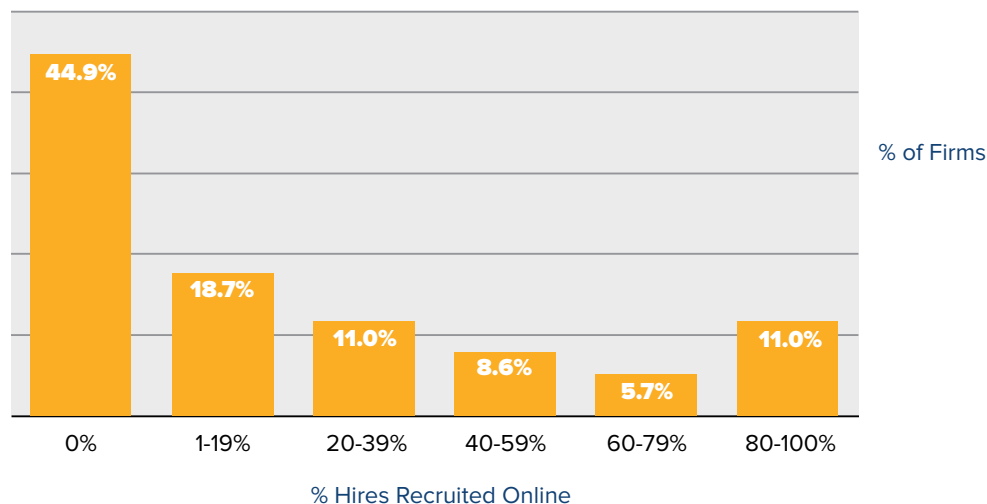
IS ONLINE RECRUITING A TREND?

We do not have historical data on this topic, but we expect more and more firms to use their websites for recruiting purposes. As young adults continue to enter the work force — and as business search engine use grows — online recruiting is likely to become increasingly important to professional services firms.

Online Recruiting and Financial Performance

Does more online recruiting mean higher growth and profitability?

Based on the current data, the answer is probably not. There does not seem to be a consistent relationship between the percentage of online hires and growth rate or profitability.

The fastest growing companies recruit between 1% and 19% of employees through their websites. At firms with the highest levels of online recruiting, growth tends to be a bit slower.

Fig 9. Online Recruiting and Growth Rate

Median 2-Year Growth Rate

% Hires Recruited Online
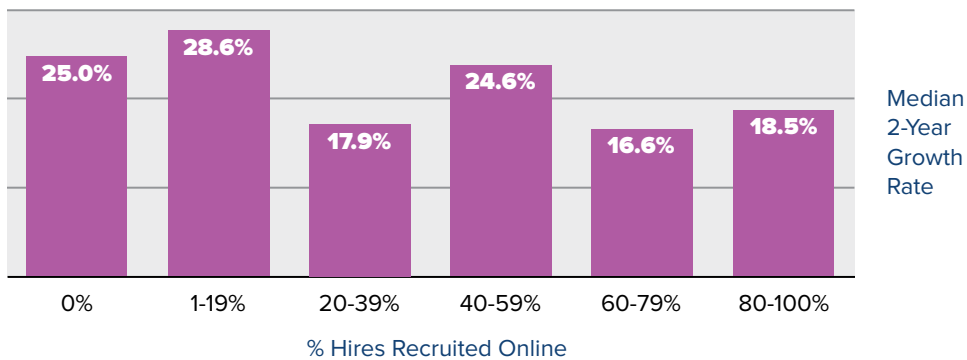
The relationship between online hires and firm profitability also seems to be quite inconsistent. While online recruiting may be a valuable tool, it does not seem to drive profitability to the same degree as online lead generation.

Fig 10. Online Recruiting and Profitability

Median Current Profitability as % of Revenue

% Hires Recruited Online
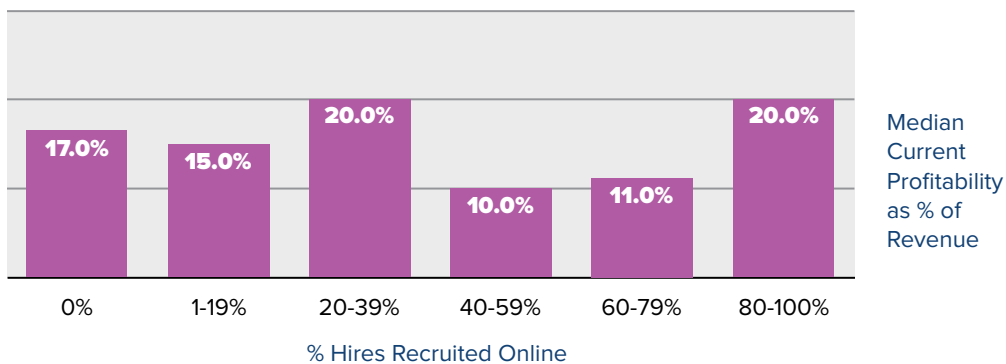
5
Industry Groups

Does your industry affect the prospects for your firm's success?

In this section, we look at industry differences from the perspective of financial results, lead generation and recruiting.

Growth Rate and Profitability

Management Consulting firms enjoy the highest growth rate and are leaders in profitability.

Fig 11. Growth Rate by Industry
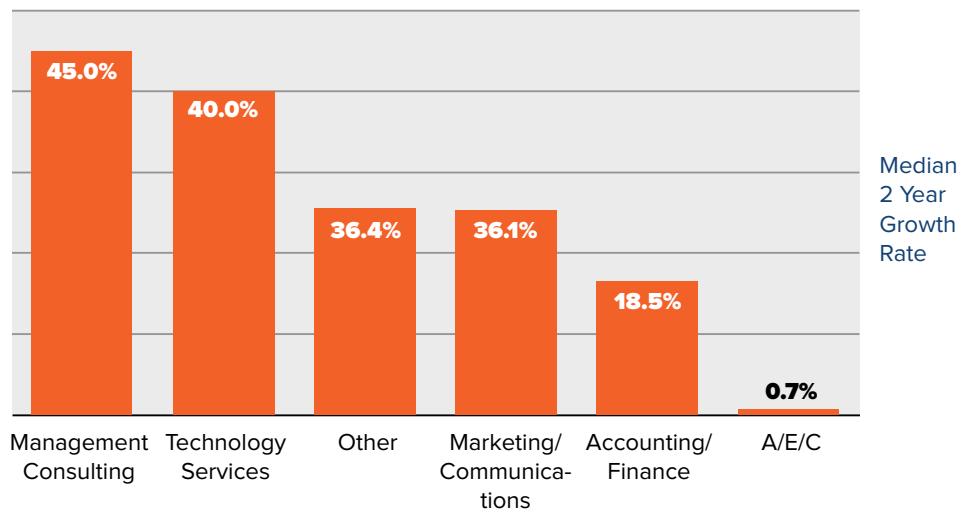
Median 2 Year Growth Rate

- Management Consulting: 45.0%
- Technology Services: 40.0%
- Other: 36.4%
- Marketing/Communications: 36.1%
- Accounting/Finance: 18.5%
- A/E/C: 0.7%

Technology Services are also fast growing and enjoy relatively high profitability. Marketing/Communications is enjoying relatively strong growth and has moderate levels of profitability.

Fig 12. Profitability by Industry

Median Current Profitability as % of Revenue

Management Consulting	Technology Services	Other	Marketing/Communications	Accounting/Finance	A/E/C
25.0%	24.5%	20.0%	17.5%	12.0%	10.0%
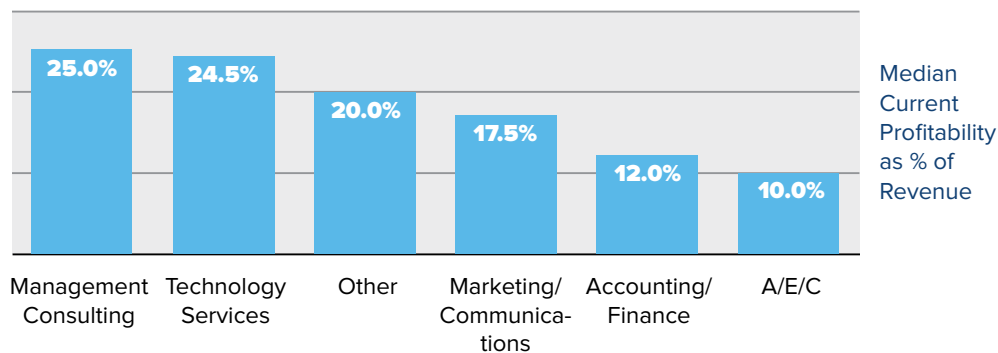
The A/E/C industry group is lowest in terms of both growth and profitability.

Within each industry group there are varying percentages of government contractors. In our sample, government contracting is not conducive to either high growth or high profitability.

Fig 13. Growth Rate and Government Contracting

Median 2-Year Growth Rate

0%	1-49%	50-100%
42.9%	18.4%	17.1%

% Revenue from Government Contracting
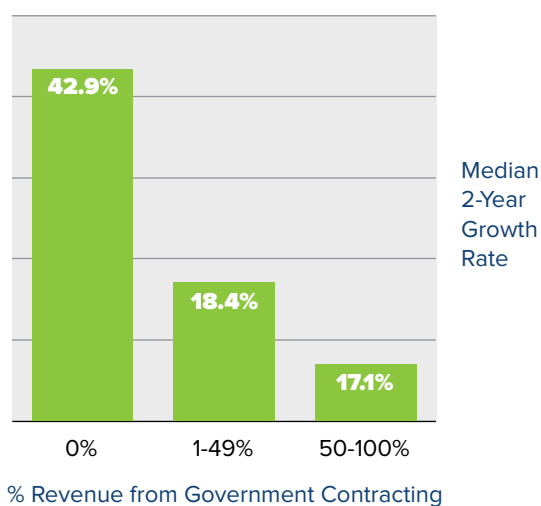
Fig 14. Profitability and Government Contracting

Median Current Profitability as % of Revenue

0%	1-49%	50-100%
20.0%	12.0%	10.0%

% Revenue from Government Contracting
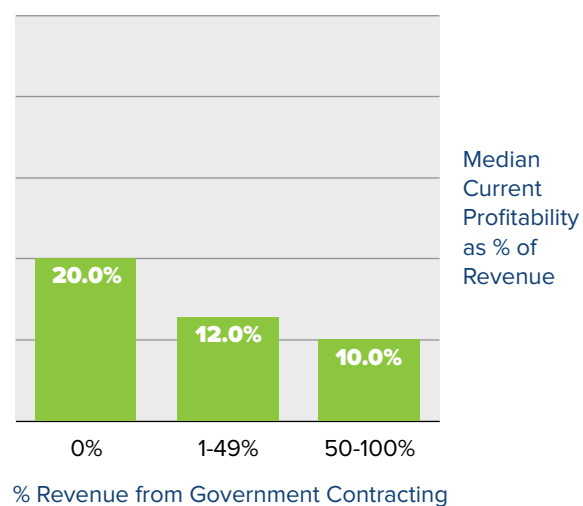
This finding contrasts with some of our previous research in which government contractors enjoyed high levels of growth and profitability.* This trend can be attributed at least in part to recent widespread government budget reductions.

Online Lead Generation

Closely paralleling their financial results, the A/E/C community trails other industries in online lead generation, while Marketing/Communications leads the pack. Technology Services is in second place.

Fig 15. Online Lead Generation by Industry

% Leads Generated Online

Marketing/Communications	Technology Services	Other	Management Consulting	Accounting/Finance	A/E/C
31.4%	20.2%	16.2%	15.9%	11.4%	8.3%
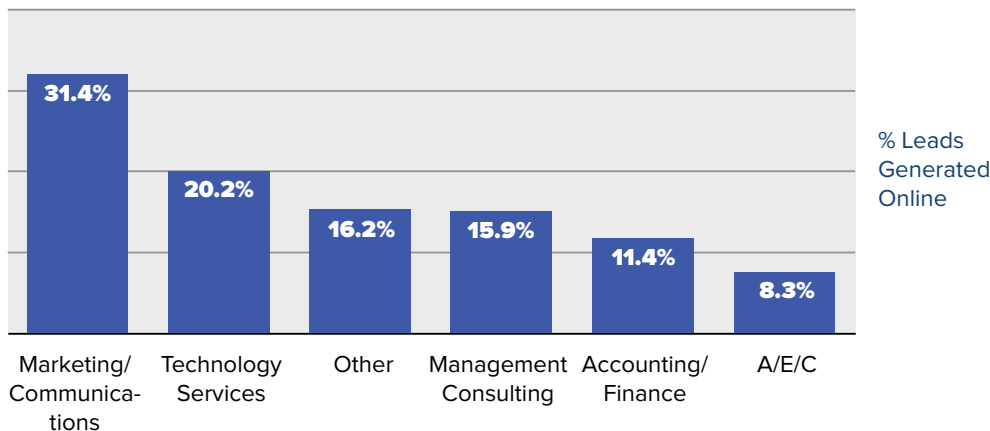
Fig 16. Lead Generation and Government Contracting

% Leads Generated Online

0%	1-49%	50-100%
18.5%	14.5%	10.1%

% Revenue from Government Contracting
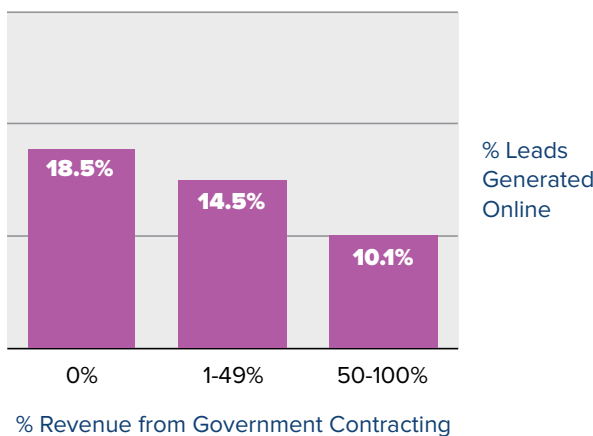
Firms that are most committed to Government Contracting also generate the lowest level of online leads.

*http://spiralingupbook.com

Online Recruiting

When we turn to online recruiting the pattern changes. In this arena, Technology Services leads, followed by A/E/C. Accounting/Finance attracts the lowest percentage of hires online.

Fig 17. Online Recruiting by Industry

% Hires Recruited Online

Technology Services	A/E/C	Marketing/ Communications	Management Consulting	Accounting/ Finance	Other
27.7%	24.4%	22.2%	20.4%	14.1%	9.9%
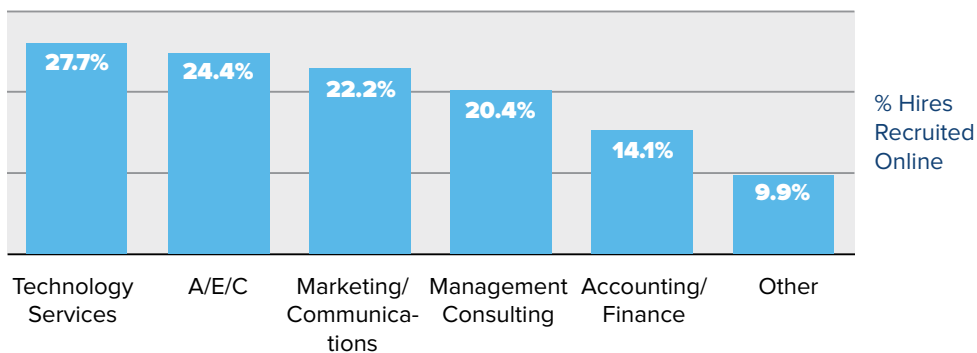
In the online recruiting sphere, Government Contractors are clear leaders with both mixed and pure private-sector-focused firms trailing by a wide margin.

Fig 18. Online Recruiting and Government Contracting

0%	1-49%	50-100%
17.6%	14.3%	30.1%

% Government Contracts
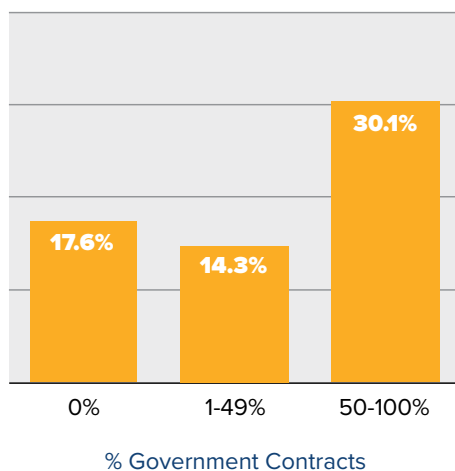
Want to learn more about your industry?

• • • • • • • • •

Download a Free Supplemental Report on Your Industry

hingemarketing.com/industry-reports

PrimePay's 10 Tips to Break into Online Marketing

PrimePay, a firm specializing in payroll, tax, HR, insurance and benefit services, is doing things right on their website and in their social media strategy. To find out what lessons they have learned, we spoke with Nancy Mullin, PrimePay's Manager of Marketing and Interactive Services. She offered these ten tips:

1. **Take Your Website from IT and Give It to Marketing –** PrimePay gave the car keys to the marketing team and let them use the website as a living, breathing communication tool. Today's content management tools make it easy.

2. **Zero In on High Impact Activities –** Nancy and her team cannot possibly cover every aspect of online marketing. Instead, they focus on the things that will make a difference. For example, their keyword-rich blog posts are having a huge impact on PrimePay's business.

3. **Determine Your Conversion Actions –** PrimePay tracks specific goals on its site. For instance, they want visitors to fill out their contact form and download educational content, such as their Employee Handbook. Having trackable goals is an important step to building a lead generating website.

4. **Eliminate Friction –** PrimePay's old website had one major problem: it made it difficult for people to contact the company. On the new site, simplified web forms and clear calls to action have led to an influx of leads.

CONNECT WITH PRIMEPAY

www.primepay.com
Twitter: *@PrimePayPayroll*
Linkedin: *primepay*
YouTube: *PrimePayPayroll*

5. **Meet Your New Best Friend: The CRM –** The team benefits greatly from using a Customer Relationship Management (CRM) tool called HubSpot. This type of software allows you to easily create new web forms and offers, track leads by source and segment your list of prospects. This tool has dramatically increased PrimePay's efficiency.

6. **Pluck Low-Hanging Fruit –** When it comes to ranking in search engines, PrimePay's strategy is to find keyword opportunities that haven't yet been saturated. Rather than target high volume, highly competitive phrases, they target many more-attainable keyword phrases. The traffic they receive from these highly targeted "long-tail" keywords adds up.

7. **Declare Yourself the Authority, Then Back It Up –** In the world of professional services, trust is everything. PrimePay not only declared themselves a thought leader, but they support that claim by stepping up their effort to publish educational content for business owners, payroll professionals, accountants and brokers. This long-term strategy has led to a brand that prospects can trust.

8. **Blog on Topics that Lead to Leads –** When producing educational content, PrimePay always has a specific target demographic in mind. They are careful to write posts that speak the language of their target readers.

9. **Give and Thou Shalt Receive –** Nancy spends a portion of her day using Google Reader, a tool that allows her to skim through online publications quickly. She browses sites such as Forbes and Entrepreneur Inc. and shares interesting stories on her social media networks. This activity helps position PrimePay as a trusted industry resource.

10. **Stick. It. Out. –** "It's tough in the beginning," explained Nancy. "You're writing all of these posts, you don't have many subscribers and you start to think... is this worth it? We stuck it out, however, and it paid off." You can't climb this mountain overnight. PrimePay made it through the hard times and now they are reaping the rewards of perseverance.

If you take away only one point from this story, it should be this: online success is within reach. Whether your focus is social media for payroll, HR, or any other professional service industry, you don't need an army to prosper... just a smart marketing team with a good strategy.

6

Budgeting and Resources
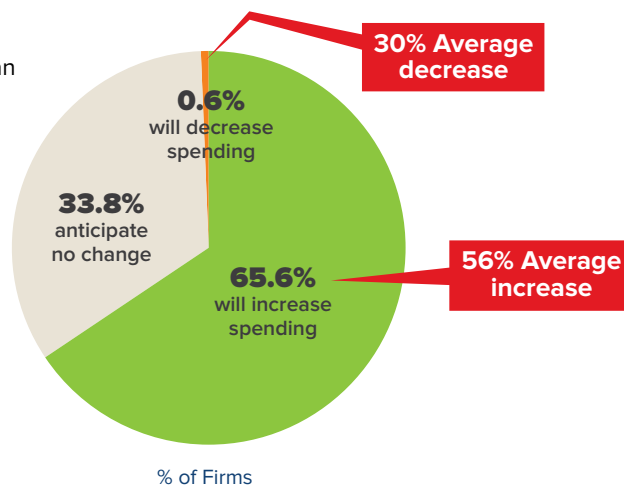
Follow the money.

As new marketing trends continue to emerge, a key decision facing professional services firms is whether to increase spending in a given area and by how much.

Spending Trends

Participants were asked whether they planned to increase or decrease online marketing spending or whether they anticipated no change. One third predicted no change while the other two thirds planned to increase spending. Less than 1% planned to decrease spending.

How much will firms increase or decrease spending? Those that are planning to increase anticipate a much larger magnitude of change.

66%

of firms plan to increase online marketing spending within the next 12 months.

Fig 19. 12-Month Online Marketing Spending Plan

0.6% will decrease spending

30% Average decrease

33.8% anticipate no change

65.6% will increase spending

56% Average increase

% of Firms

There is a clear intention to boost online marketing activities. 66% of firms plan to increase online marketing spending within the next 12 months. Firms that plan to increase spending will do so by an average of 56%.
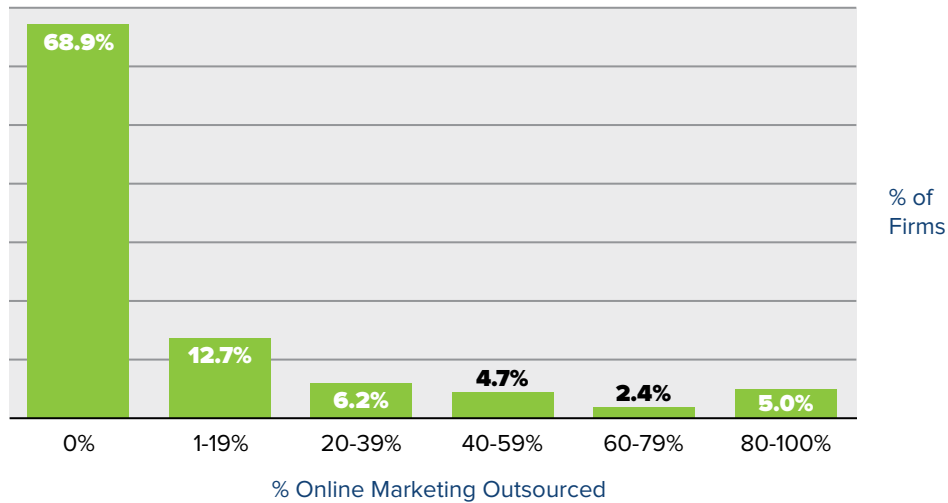
Outsourcing vs. Keeping It In-House

Fig 20. Outsourced Online Marketing

% of
Firms

68.9%

12.7%

6.2%

4.7%

2.4%

5.0%

0%   1-19%   20-39%   40-59%   60-79%   80-100%

% Online Marketing Outsourced

The majority of firms do not currently outsource any part of their online marketing efforts. However, 31% of firms do contract outside help for at least part of their efforts.

Very few firms completely outsource their online marketing. Why is this? Certain aspects of online marketing require the firm's involvement to be successful. Often, tasks such niche blog writing and social media engagement need at least some in-house participation. Other activities, such as keyword research and web design, can be outsourced completely.

Website Redesign and Updates

Nearly half of professional services firms have redesigned their websites within the past 12 months. On the other hand, almost one in five has not done so in more than three years.

Fig 21. Latest website redesign

|	
46.3%	Within the past 12 months
21.9%	Within the past two years
12.9%	Within the past three years
19.0%	More than three years ago

% of Firms
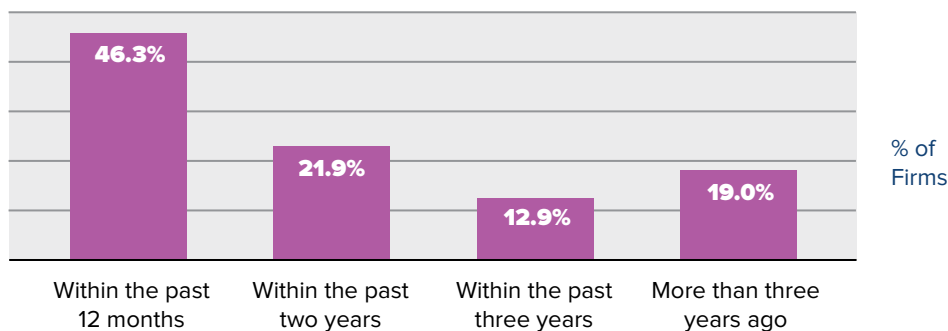
Anecdotally, many professional services firms are transitioning their websites from passive online brochures to more dynamic, interactive marketing tools. A growing demand for lead-generating websites may explain why a large percentage of firms have undergone redesigns in the past year.

This new type of website, built for publishing a stream of fresh content that can be promoted in social media, requires frequent content updates. As our data illustrates below, over 40% of firms update their site at least weekly.

Only a quarter of firms update their site once a year or less.

Fig 22. Frequency of Website Updates
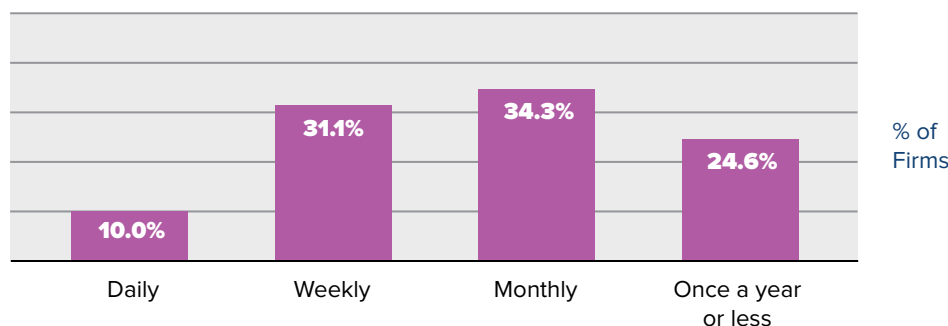
|	
10.0%	Daily
31.1%	Weekly
34.3%	Monthly
24.6%	Once a year or less

% of Firms

Nearly half of professional services firms have redesigned their websites within the past 12 months.

Method of Contact

How are web visitors contacting you? Direct email and phone calls continue to be popular channels. But online contact forms are the second most common medium, with nearly 29% of firms listing an online form as their primary contact method.

Fig 23. How Website Visitors Contact You

43.9% Email directly
28.6% Online contact form
24.1% Phone call
3.4% Other
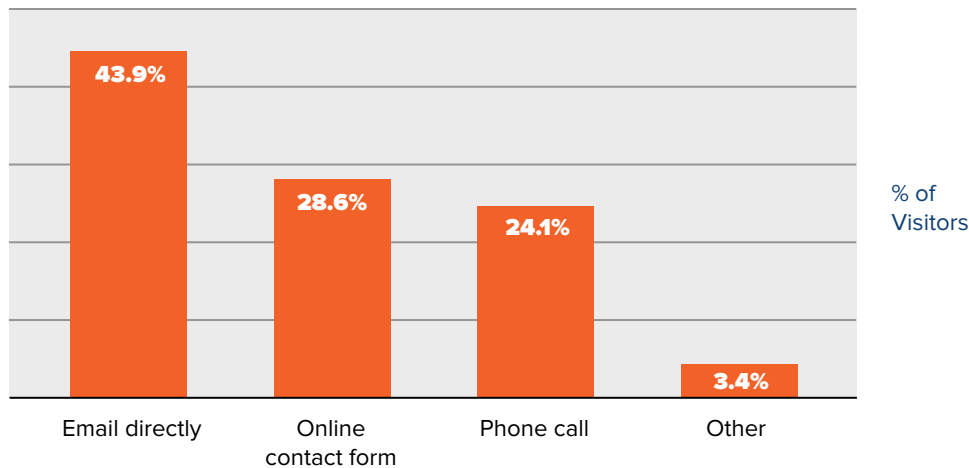
% of Visitors

WHY ARE FORMS USEFUL?

1. Ease of Use – Visitors can easily submit a message without leaving the web browser.

2. Tracking – By setting up form submission as goals in analytics, you can track where leads come from.

3. CRM Integration – Prospects automatically populate your marketing system, so you don't have to enter them manually.

7

Online Technique Usage and Effectiveness

Participants evaluated fifteen commonly used online marketing techniques.

We evaluated the degree to which firms used each technique and how effective they were in achieving their firm goals.

## Technique Usage

Survey participants were asked to rate 15 online marketing techniques according to how much focus their firm placed on each one. A zero indicates that the firm does not use the technique and a 10 indicates that the firm relies heavily on the technique.

Respondents reported that white papers, ebooks and articles, SEO and company newsletters were the most effective techniques.

The chart below groups responses so that you can see the percentage of firms that rated each technique a nine or ten (heavy focus), seven or eight (moderate focus), one through six (minimal focus) or zero (no focus).

**Fig 24.** Technique Usage Rating
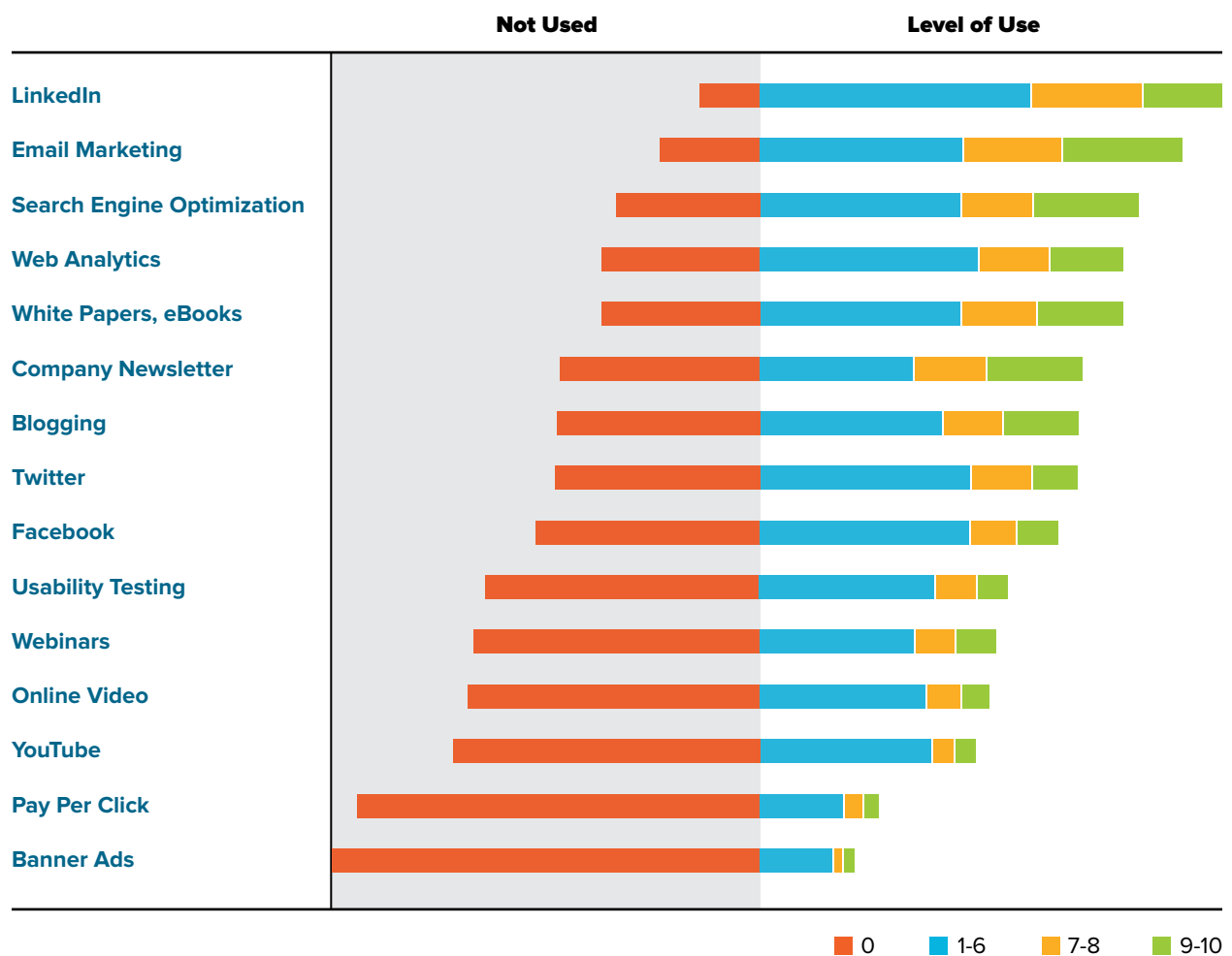
LinkedIn and email marketing are the most widely used online techniques, with pay-per-click (PPC) advertising and banner ads at the bottom of the list.

This chart also illustrates differences in the intensity of use. Email marketing and search engine optimization (SEO) have the highest levels of devoted users. Banner ads and PPC have relatively few devoted users.

Technique Effectiveness

Participants were also asked to rate the effectiveness of each technique in helping them accomplish their goals (e.g., lead generation, recruiting). A zero indicates that a firm finds the technique ineffective. A ten indicates that a firm finds the technique highly effective.

Fig 25. Technique Effectiveness Rating
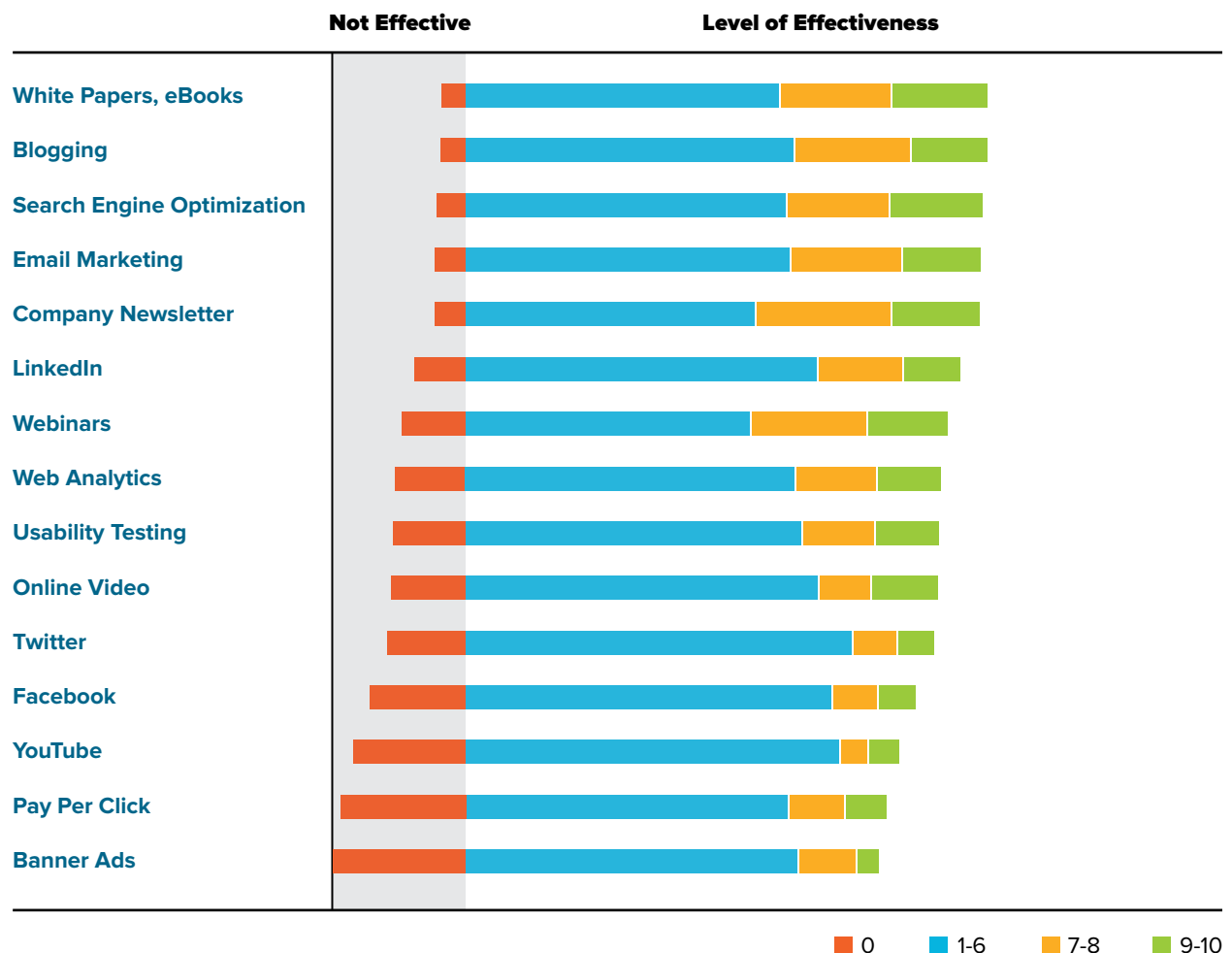
Respondents reported that white papers, ebooks and articles, SEO and blogging were among the most effective techniques. Pay per click advertising, YouTube and banner ads were rated the least effective.

Social Media Pays off at HPD Architecture

If you've been skeptical about social media's value to professional services marketing, look no further than this three-person architecture firm in Dallas. HPD Architecture has turned online marketing — and especially social media — into a well-oiled lead generation machine.

"Our original goal was to build brand awareness," says Vice President Laura Davis. So they built a website, set up Facebook and Twitter pages and began exploring the possibilities. Today, the firm uses blogging, podcasts, and social media tools to drive a steady stream of high-quality leads to its website — leads that frequently turn into loyal clients.

Like many firms new to the digital space, the HPD team was unsure what to expect from their foray into the online realm. But in 2009, the economy was tanking and they were eager to find a new marketing channel. So they turned to social media to increase their market exposure and lessen their dependence on referrals. It didn't take long before they were convinced that social media was a valuable investment.

Position Yourself to Be Noticed
Before HPD dove into online marketing, they had to figure out why people would care about them. In a series of working sessions, the team discovered who they were and how they would position themselves in the marketplace. In their case, they wanted to be known as an architecture and design resource — a reputation they have been building ever since. Today, people in their industry seek them out and take their advice seriously.

CONNECT WITH HPD ARCHITECTURE

www.hpdarch.com
Twitter: *@hpdarchitecture*
Facebook: *hpdArchitecture*
Linkedin: *HPD Architecture LLC*
Podcasts: *The Architecture Happy Hour*
Blog: *Dallas Architect*

Why Use One Weapon When You Have Many?
HPD uses a range of online marketing techniques to attract and nurture their audience — but they still do traditional marketing, including face-to-face networking. The team dedicates, on average, one hour per day to social media activity. Here are four of their primary tools:

Twitter — The team began by interacting with local individuals in their industry, but over time they've expanded nationally.

Facebook — At first, they used Facebook to publish interesting articles. Today, it's become a high quality education resource of relevant information.

Podcasts — Each month they record an episode of *The Architecture Happy Hour,* in which two principals offer tips and discuss a wide range of issues in architecture. They publish each episode on iTunes.

Blog — HPD uses its blog to share their expertise, discuss industry trends, and spotlight innovative practices.

As a result of their online marketing focus, the firm has been interviewed by a variety of publications and has received numerous requests to speak at industry conferences. "More important," says Vice President Larry Paschall, "new clients are finding us online."
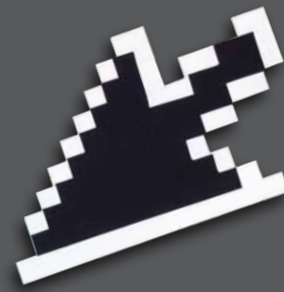
8
High Growth, High Value Firms

What they do differently.

In our previous research, we identified a group of firms that grow much faster and are more profitable than their peers. We documented our findings in the book *Spiraling Up: How to Create a High Growth, High Value Professional Services Firm. (http://spiralingupbook.com)*

Our earlier research suggested that high growth, high value firms would be more likely to use online marketing strategies. And in fact, the current data demonstrate that as a group these firms do generate more leads and recruits than their average growth peers.

But not all high growth, high value firms use online strategies. So we decided to look most closely at those high growth, high value firms that generate 40% or more of their leads online and determine what they were doing differently than their average growth counterparts and which strategies were delivering the best real-world results. We chose the 40% cutoff because we had already learned that firms that obtain 40% or more of their leads online tend to have superior financial performance (see Figures 6 and 7).

Note: In the remainder of this report, we will refer to this subset of high growth, high value firms that emphasize online lead generation simply as "high growth firms."
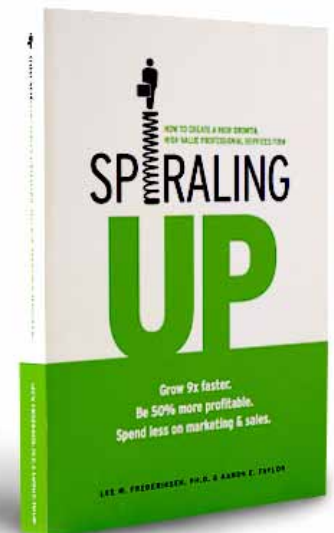
Free e-book

What High Growth Firms Do Differently

We first examined the relative focus firms placed on popular digital marketing techniques.

Fig 26. Focus Rating: High Growth vs. Average Firms
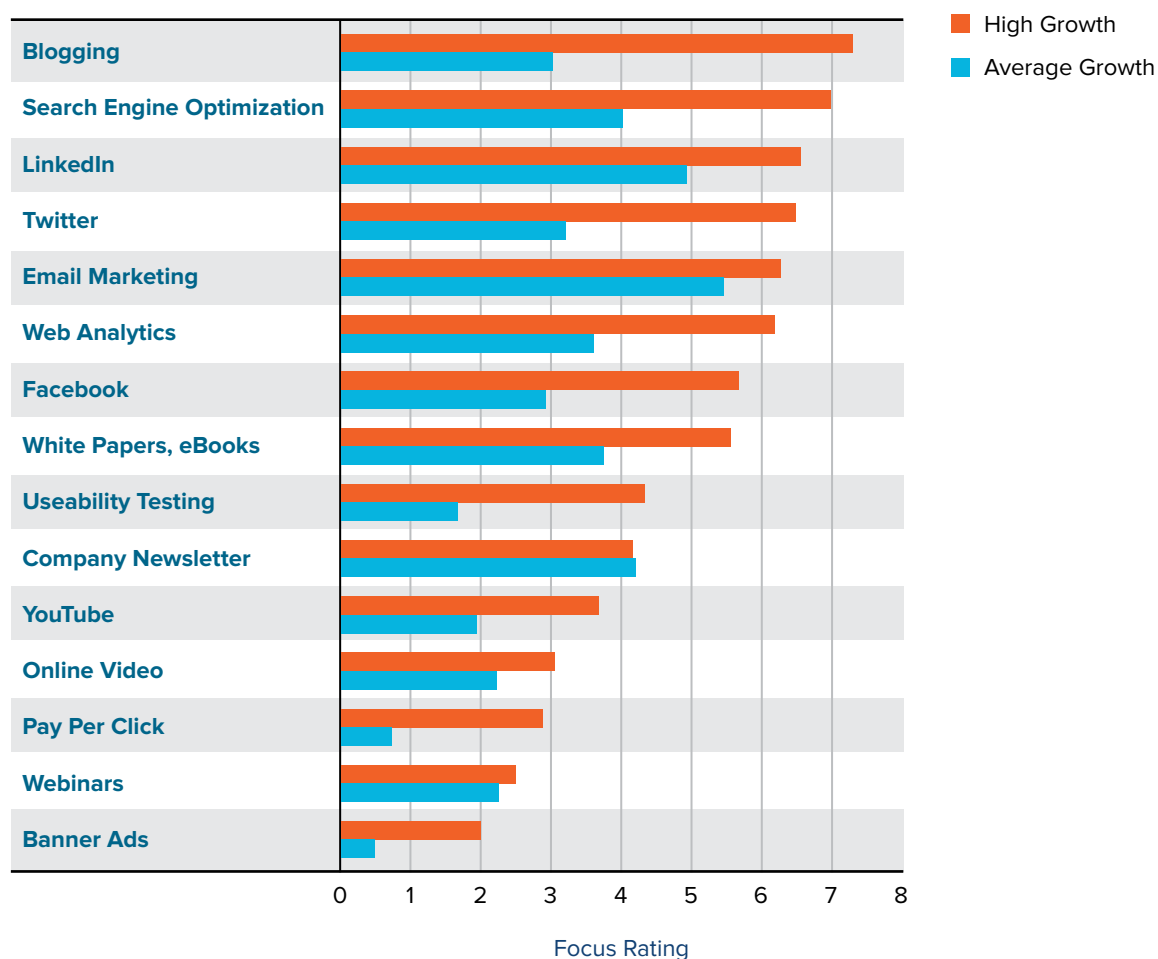
When compared to their average growth peer group, the high growth firms are more focused on virtually every online technique, often by a wide margin. The only exceptions are company newsletters, which average firms focus on more by a small margin, and webinars, which high growth firms slightly favor.

When we examined perceived effectiveness of same online techniques, high growth firms displayed an advantage in every category. In the cases of SEO, web analytics, PPC and popular social media tools, the margin of difference was substantial.

Fig 27. Effectiveness Rating: High Growth vs. Average Firms

Legend:
- High Growth
- Average Growth

Categories (top to bottom): Search Engine Optimization, Blogging, Web Analytics, Email Marketing, White Papers, eBooks, LinkedIn, Company Newsletter, Usability Testing, Twitter, Facebook, Pay Per Click, Online Video, Webinars, YouTube, Banner Ads

X-axis: Effectiveness Rating (0–8)
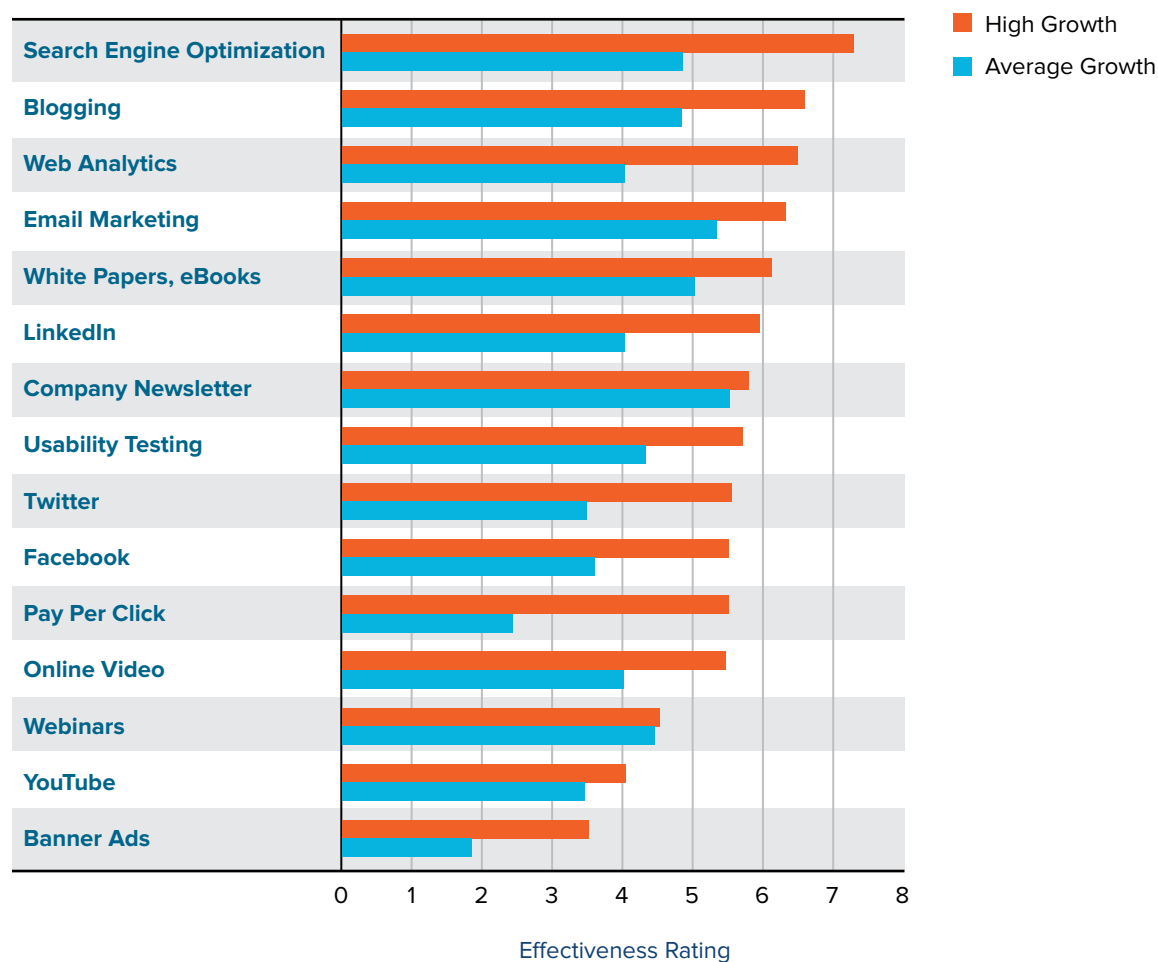
High growth firms update their websites more frequently.

Fig 28. Web Update Frequency

% of Firms
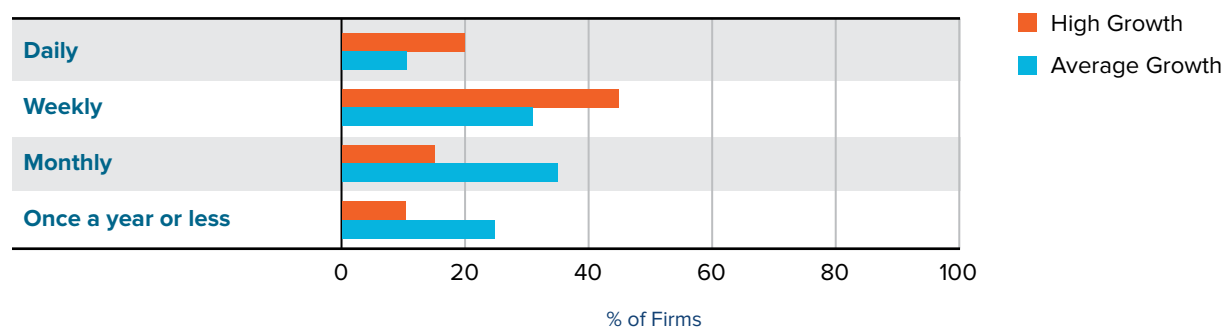
They also use online contact forms to a much greater extent.

Fig 29. Contact Method

% of Firms
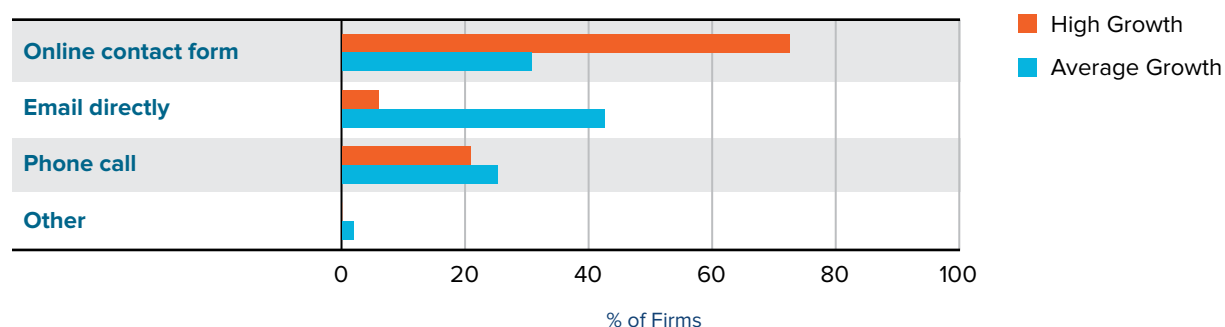
In addition, high growth firms were twice as likely to have redesigned their website within the past twelve months.

Fig 30. Last Website Redesign

% of Firms
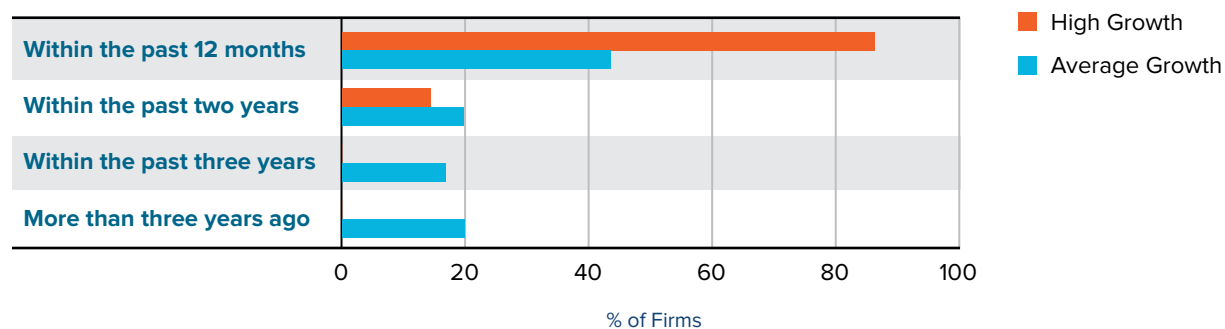
While high growth firms are only a few percentage points more likely than average firms to increase their marketing budget, they are more likely to increase their budget at a much greater rate.

Fig 31. Projected Online Marketing Spending: High Growth vs. Average

High Growth

31.6%
anticipate
no change

68.4%
will increase
spending

60% Average increase

% of Firms

Average Growth

37.3%
anticipate
no change

62.7%
will increase
spending

42% Average increase

% of Firms
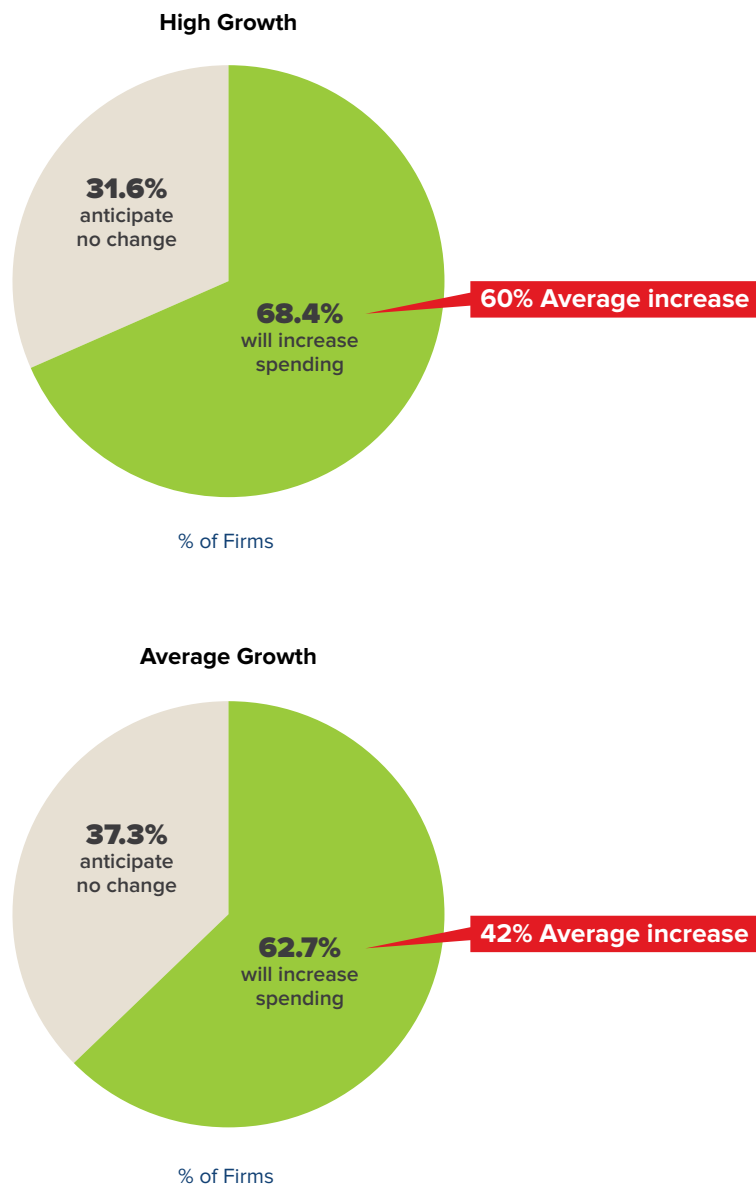
By every measure, high growth firms were significantly more oriented toward online marketing activity.

The Impact on Firm Performance

From an operational perspective, high growth firms are generating five times more online leads and twice as many new hires than average growth firms.

Fig 32. Online Leads and Hires
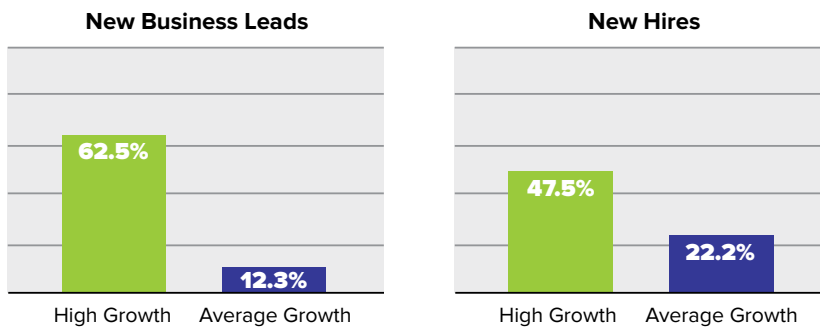
New Business Leads

High Growth 62.5%
Average Growth 12.3%

New Hires

High Growth 47.5%
Average Growth 22.2%

High Growth   Average Growth

From the perspective of return on investment, the online marketing strategy is extremely attractive.

Fig 33. Growth and Profitability

Median 2-Year Growth Rate

High Growth 100.0%
Average Growth 6.6%

Median Current Profitability

High Growth 27.5%
Average Growth 12.5%

High Growth   Average Growth

How do the differences translate into actual financial performance? The high growth group shows a very substantial advantage in both growth rate and firm profitability.

High growth firms are generating five times more online leads and twice as many new hires than average growth firms.

Kinaxis – Online Marketing Done Right
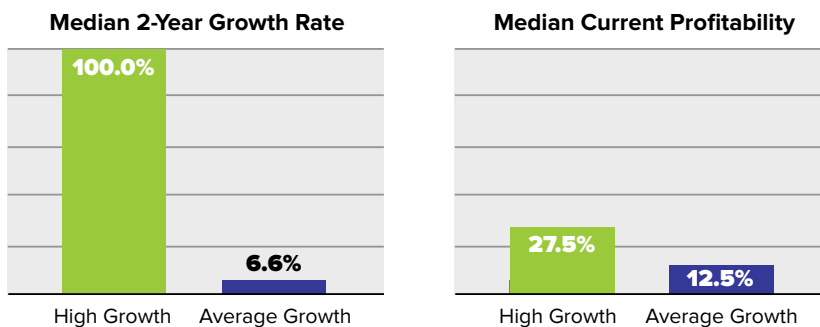
Kirsten Watson, VP of Marketing Communications at Kinaxis, a major supply chain management software company, was tasked with figuring out how to get the most out of her firm's marketing budget. At first, her options seemed overwhelming. But today, after a long digital journey, she finds herself leading one of the most successful online marketing teams in the technology industry. With an estimated 35-40% of the firm's leads coming from the web, there's no question Kinaxis has found a formula for success.

The firm began by focusing on a few foundational techniques. After mastering those techniques, Kinaxis gradually expanded its repertoire.

One of these techniques — SEO — was a major focus at Kinaxis since the genesis of its online marketing efforts. "We found religion in SEO," said Watson. "It's a part of everything we do: every content piece, every campaign."

The Kinaxis team takes the time to research valuable keyword opportunities. They then implement these keyword phrases into their online marketing, building greater search engine authority over time.

Create a Community by Creating Content
Kinaxis has also put tremendous emphasis on content creation. They realized that a blog not only demonstrates thought leadership but also attracts high quality inbound links and increases the number of web pages indexed in search engines.

CONNECT WITH KINAXIS

www.kinaxis.com
Twitter: *@kinaxis*
Blog: *The 21st Century Supply Chain*

"We blogged for about a year," said Kirsten, "but nobody was listening at first. You have to have patience, and visibility will come. The more content you develop, the more opportunities you will have."

Once You're in the Groove, Start to Get Social
The team was a bit skeptical of social media at first. But after hiring Forrester Research to evaluate the situation, they learned how and where Kinaxis' audience were using social platforms. If SEO and blogging were their online marketing foundation, social media interaction and promotion elevated the firm into the public eye.

Today, the firm is taking things to a new level. Their Supply Chain Expert Community is an online collection of videos, forums, and documents related to supply chain management, and they somehow find a way to make these topics fun.

Bringing It All Together
Kirsten and her team have online marketing down to a science. Integrating all of these initiatives is crucial to realizing optimal success. The monthly process goes something like this:

- Choose a keyword phrase that will bring in high quality traffic
- Write an article or white paper that incorporates that phrase
- Break the white paper up into blog posts and repurpose the content
- Video interview the author and post it on the website
- Create a podcast on the topic
- Host a webinar on the topic
- Continually promote the content through social media and email channels

Kinaxis dedicates five people to online marketing, including two full-time content creators, one full-time events manager, a social media manager, and Kristen. Eighteen other staff members also contribute content, including top executives. When you consider that the company's highest-quality leads come from search engine traffic, this investment of time and people makes a great deal of sense.

9
The Expert Panel

Meet the big brains.

To reflect best practices, we interviewed top experts in various online marketing disciplines.

We asked the experts a set of questions that corresponded to our professional services survey.

In addition, we asked about their specific area of expertise and how it might be best applied to professional services firms.

The following experts participated in this research:

Ann Handley
Chief Content Officer at Marketing Profs
Author of *Content Rules*
Twitter: @MarketingProfs

Brad Geddes
Founder of Certified Knowledge
Author of *Advanced Google Adwords*
Twitter: @bgtheory

Bryan Eisenberg
Managing Partner at Eisenberg Holdings, LLC
Author of *Waiting for Your Cat to Bark?*
Twitter: @TheGrok

Danny Dover
Senior SEO Manager at AT&T Interactive
Author of *Search Engine Optimization Secrets*
Twitter: @DannyDover

David Meerman Scott
Marketing Strategist and Consultant
Author of *The New Rules of Marketing and PR*
Twitter: @dmscott

Eric Enge
President at Stone Temple Consulting
Co-Author of *The Art of SEO*
Twitter: @stonetemple

Ginny Redish
Founder of Redish & Associates Inc.
Author of *Letting Go of Words — Writing Web Content that Works*
Twitter: @GinnyRedish

James Beswick
Founder of One Uproar
Author of *Ranking Number One*
Twitter: @oneuproar

Jason Burby
Chief Analytics and Optimization Officer at ZAAZ
Author of *Actionable Web Analytics*
Twitter: @JasonBurby

Jennifer Abernethy
America's Social Business Stylist, The Sales Lounge
Author of *The Complete Idiot's Guide to Social Media Marketing*
Twitter: @SalesLounge

Jim Boykin
Founder & CEO of Internet Marketing Ninjas (formerly We Build Pages)
Blog: www.internetmarketing ninjas.com/blog/
Twitter: @jimboykin

Joe Pulizzi
Founder of the Content Marketing Institute
Co-Author of *Get Content Get Customers* and *Managing Content Marketing*
Twitter: @juntajoe

Justin Cutroni
Director of Intelligence at
Cardinal Path
Author of *Google Analytics*
Twitter: @justincutroni

Kristopher B. Jones
Founder / CEO, KBJ Capital
Author of *Search Engine Optimization*
Twitter: @krisjonescom

Kristina Halvorson
Founder of Brain Traffic
Author of *Content Strategy for the Web*
Twitter: @halvorson

Lon Safko
Social Media Strategist
Author of *The Social Media Bible*
Twitter: @longsafko

Mari Smith
Social Media Consultant
Author of *The New Relationship Marketing*
Twitter: @MariSmith

Michael Fleischner
Founder, MarketingScoop.com
Author of *SEO Made Simple*
Twitter: @mfleischner

Tim Ash
CEO of SiteTuners &
Founder of Conversion
Conference
Author of *Landing Page Optimization*
Twitter: @tim_ash

William Albert
Director of the Design and
Usability Center at Bentley
University
Author of *Measuring the User Experience*
Twitter: @UXMetrics
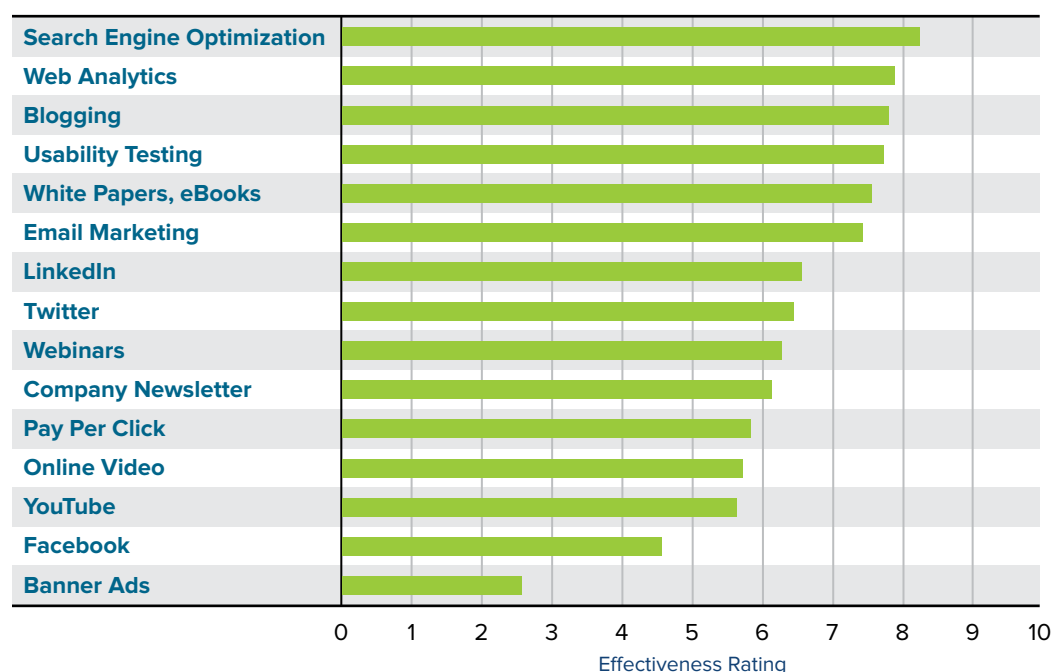
10
The Experts Weigh In

What do the big brains think?

To round out our analysis of online marketing for professional services, we asked our Expert Panel to rate the effectiveness of each of the 15 techniques that had been evaluated by the 500 firms in our survey. We also asked a series of questions around how to use the techniques as part of a professional services online marketing strategy.

Effectiveness Ratings

Search engine optimization, web analytics and usability testing shared top effectiveness ratings with some key content marketing tools such as blogging, white papers and ebooks.

Fig 34. Experts, Effectiveness Ratings

Technique	Effectiveness Rating
Search Engine Optimization	8.2
Web Analytics	7.8
Blogging	7.8
Usability Testing	7.7
White Papers, eBooks	7.5
Email Marketing	7.4
LinkedIn	6.6
Twitter	6.5
Webinars	6.3
Company Newsletter	6.1
Pay Per Click	5.9
Online Video	5.8
YouTube	5.7
Facebook	4.6
Banner Ads	2.6

Effectiveness Rating

The accompanying chart compares the average effectiveness ratings of the Expert Panel to those of the high growth and average firm groups.

Fig 35. Effectiveness Ratings: Experts vs. High Growth vs. Average Firms
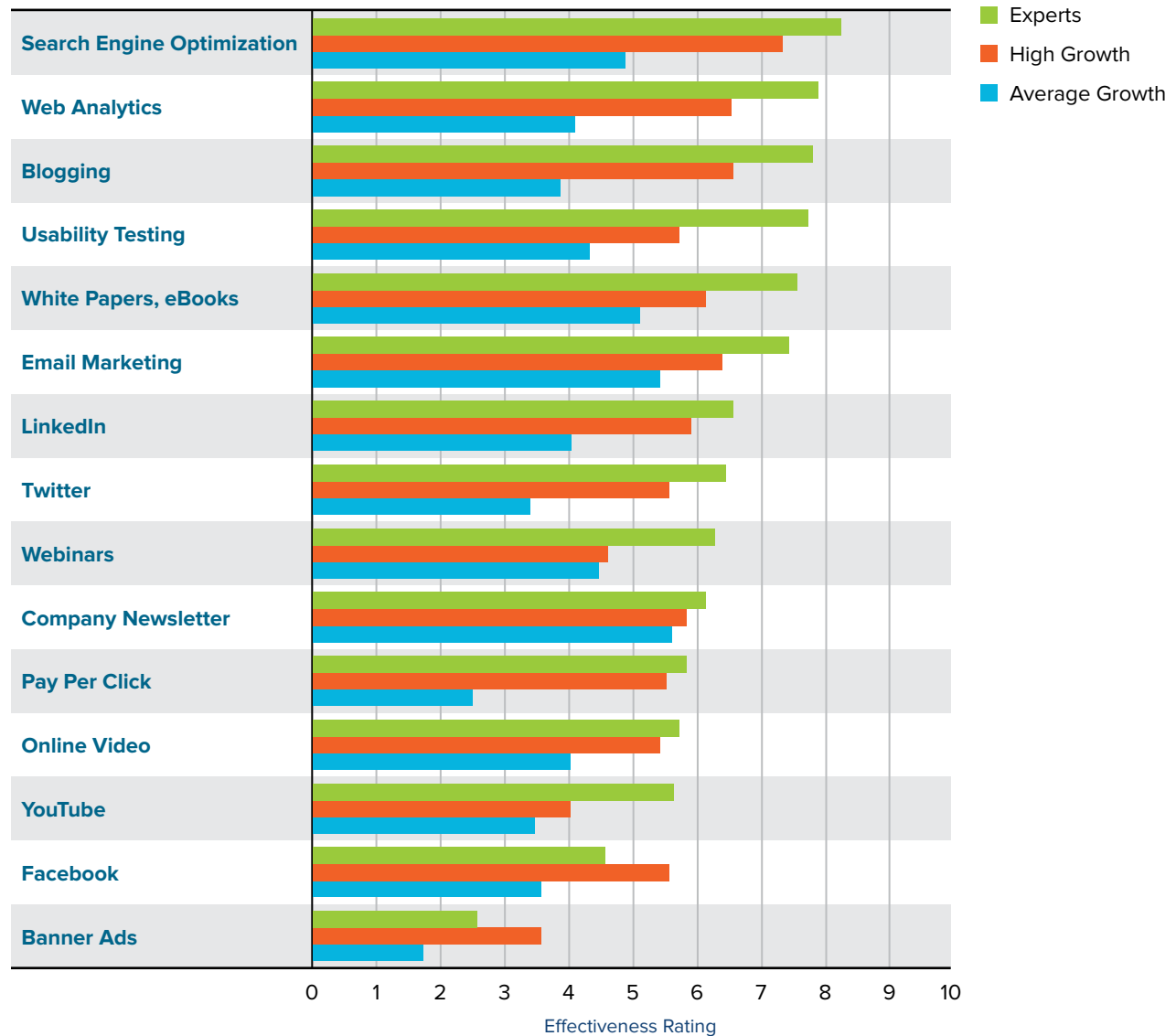
In all but two instances, the Expert Panel rated the techniques as more effective than the professional services firms. The high growth firms closely tracked with the experts, but at a somewhat lower level of rated effectiveness.

The two exceptions were banner ads and Facebook, which were rated more favorably by the high growth firms. In every category, the average firms experienced less effectiveness.

Finding Hidden Value

After reviewing the relative ratings of the three groups and comments from our panel of experts, we noted some common patterns. A number of the most effective techniques are not widely used by average professional services firms. These techniques include some real gems: SEO, web analytics, blogging and usability testing.

We noticed a similar pattern, at a somewhat lower effectiveness level, with LinkedIn, Twitter, PPC, and online video. As average firms begin to adopt and master these tools, they are likely to experience more success.

Furthermore, in the case of webinars and YouTube, the experts are seeing value that even most high growth firms have not fully harnessed.

In the case of webinars and YouTube, the experts are seeing value that even most high growth firms have not fully harnessed.
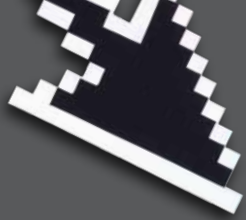
11

How to Apply What You Have Learned

Where should you focus?

As you consider taking the plunge into online marketing, you may feel overwhelmed by the multitude of techniques that are available. Each professional services firm has unique goals, markets and strategies. As a result, there is no single formula for all firms.

After consulting with our experts and observing what is working for high growth firms, we have some suggestions to help you prioritize your online marketing efforts.

We have organized the 15 online techniques covered in the study into six different groups that reflect the rough priority and sequencing in which a typical professional services firm might employ them in their online marketing strategy.

1) Build a Solid Foundation

These two techniques are fundamental to any successful online marketing program. Everything else builds on these platforms.

Search Engine Optimization (SEO)
What is this? – SEO attracts traffic to your website from Google and other search engines and allows prospective clients to find you for a wide range of relevant search terms. The process involves creating or editing
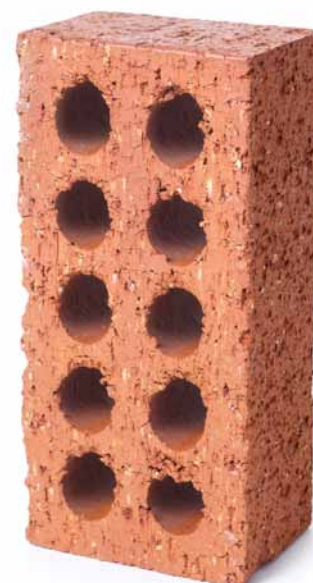
content, making technical adjustments to your website and increasing your site's search engine authority by getting other websites to link to yours.

Why do I need it? – More and more people are using search engines to find and evaluate professional services. When you rank for relevant terms in your industry, you can attract interested, qualified visitors — people who otherwise may never find you — to your website.

When should I do it? – SEO is an ongoing process but you should start working on it as soon as possible. Expect 3 months before you see significant results.

Web Analytics
What is this? – Web analytics allow you to track visitor activity on your website, including visits, downloads, form fills and traffic sources.

Why do I need it? – Analytics provide the insights you need to make actionable decisions. When you understand how visitors are interacting with your website, you can evaluate what's working and find ways to improve your site's performance.

When should I do it? – Google Analytics, the world's most popular analytics software, is free. If you don't have it already, install it today and begin tracking your web traffic. Choose the goals you want to track (for example a contact form fill) and evaluate performance on a daily or weekly basis.

> SEO is a proven way to increase leads and drive new business.

2) Create Valuable Content

The techniques below help you build a library of content so that you can attract and convert potential clients. This content becomes the core of your online marketing program.

Blogging
What is this? – Blogging is nothing more than a way to publish fresh educational content on a regular basis to your website. Your blog should address topics of interest to your firm's target market.

Why do I need it? – By producing valuable content, you demonstrate your expertise and you earn the trust of web visitors. Each blog post can also be indexed by search engines, driving valuable, interested traffic to your website. In addition, well-written content attracts links, which is a significant part of SEO.

When should I do it? – Start blogging as soon as you can afford the resources (time and people). In-house marketing teams and top executives are typical bloggers. Blog writing, however, can also be outsourced. Don't expect leads to pour in after a single month. This is a long-term initiative. It can take 6 months to a year before you see results.

White Papers, eBooks, Articles
What are these? – These are educational content pieces that you can offer for download on your website (and, potentially, elsewhere). These pieces are similar to blog content, but they are more substantial. Some firms require visitors to register before downloading substantive content, while others make these pieces freely available.

Why do I need them? – Thought leadership pieces are a great way to cultivate trust and increase the visibility of your brand. In addition, they provide an opportunity to collect email addresses and build a list that can be used later for email marketing. These pieces, together with your blog, can form the basis of a library of practical, informative writings that can build your reputation and attract a continual stream of new visitors.

When should I do them? – Once your blog has been up and running for three to six months, start planning a longer content piece, such as a white paper or ebook. By then you will have a feeling for what content is most interesting to your target audience. Some firms produce pieces like this once or more per month. Others produce them far less frequently. Your rate of production will depend on your goals and the resources at your disposal.

Content is the core of your online marketing program.

Online Video
What is this? – This is the process of producing and publishing videos on your firm's website and other distribution channels. Typical videos include case studies, company overviews and services descriptions.

Why do I need it? – Video consumption is on the rise and web visitors want content that is easily digestible and engaging. When you tell your story through video you are able to provide rich visual and aural detail that text alone can't impart. Well-produced videos establish trust and lead to higher lead conversion rates. They are also helpful in SEO efforts.

When should I do it? – When you have a complex story to tell or when you want to increase credibility, video is an ideal medium. It is also an excellent choice when you want to communicate your brand personality when a face-to-face meeting is impractical.

3) Nurture Your Audience

Use this group of tools to communicate with potential clients so that you can nurture, qualify and convert them.

Email Marketing
What is this? – Cultivate a targeted list of contacts and periodically email them with educational content and relevant offers.

Why do I need it? – Email is a proven channel for reaching prospects and nurturing them throughout the buying process. To stay on top of your prospects' minds, encourage them to subscribe or opt-in to useful content such as industry intelligence, research findings or relevant case studies. Email marketing is not the same as spam email, which is a numbers game based on blasting untargeted business offers.

When should I do it? – Like blogging, you should begin email marketing when you have the resources to write valuable content. Some firms have success with a monthly email while others with more resources find success with up to two or three emails per week.

Company e-newsletter

What is this? – E-newsletters come in a variety of formats (single article, multiple articles, news digests, etc.) and are delivered to recipients via email. Most are sent to opt-in lists, so the content can be highly targeted.

Why do I need it? – Including a newsletter subscription form on your website can be a highly effective way to build your email list. Assuming the content you send is educational and valuable to subscribers, it is a proven way to nurture prospects.

When should I do it? – You should begin sending an e-newsletter when you have the resources to write valuable content. Typical frequency is once or twice per month, though some are sent weekly.

Webinars

What is this? – Webinars are educational online presentations given to a group of registrants. Typically the audience views the equivalent of a PowerPoint presentation and listens to the presenter(s). At the end, there is often an opportunity to ask questions.

Why do I need it? – Webinars, like live seminars, are big credibility builders. As an online teacher, you can easily build trust and nurture prospects. If executed properly, webinars often lead directly to new business leads.

When should I do it? – Consider conducting webinars once you have a sizable email list. Try promoting and running one webinar and evaluate whether it is right for your firm. Webinars are typically run every couple of months, although some firms run them monthly or even weekly.

4) Promote Your Activities with Online Networking

These techniques — also known as social media — help you interact with people online to get your message out and drive interest in your firm.

LinkedIn
What is this? – LinkedIn is a social network dedicated to professionals. Members create profiles and can interact with others within specific business groups.

Why do I need it? – LinkedIn can be used for many purposes, including networking, promoting content and increasing brand visibility. By establishing relationships with group members in your industry, you create a channel for discussing issues and building your firm's reputation as thought leaders.

When should I do it? – Once you are consistently creating blog content, you will need a place to share it. Join a few industry groups and begin chiming into discussions. When appropriate, share links to your content pieces. Expect to spend 30 minutes to one hour a day on LinkedIn if you are looking for a substantial presence.

Twitter
What is this? – Twitter is a micro-blogging platform that allows members to write messages of up to 140 characters in length. It is often used for spreading industry news and spotting trends.

Why do I need it? – Twitter is an excellent platform for building relationships, sharing industry news and promoting your content. Once you have developed online relationships ("followers"), it becomes easier to spread your blog posts and generate buzz.

When should I do it? – Once you are consistently creating blog content, you should start spending time interacting with others on Twitter. Find members in your industry and begin to interact and share. Don't expect much from Twitter unless you can devote 30 minutes to one hour per day using it.

Facebook

What is this? – Facebook is the largest social network in the world. Facebook allows individuals and companies to maintain profiles and share information.

Why do I need it? – Unlike LinkedIn, Facebook is not specific to business, but it does boast a much higher number of members. Facebook is another channel for content promotion, industry interaction, and visibility. If your Facebook page is interactive and updated frequently with valuable content, it can be a huge traffic generator for your website.

When should I do it? – Like Twitter and LinkedIn, you should focus on Facebook once you have a solid foundation of content and the resources to actively engage on a daily basis. If you spend 30 minutes to an hour per day, you should begin to see spikes in engagement and traffic.

YouTube

What is this? – YouTube is a platform for publishing and sharing videos. Members can subscribe to video channels, rate videos and track viewing activity.

Why do I need it? – Like Facebook, YouTube is a heavily trafficked social network that can lead to brand visibility. Use it to promote training videos, case stories and viral campaigns. If your firm is producing video, uploading those videos and promoting them on YouTube can generate significant buzz.

When should I do it? – When your firm begins producing video, create a YouTube channel and upload all your videos to one location. In the professional services realm, interacting and engaging other members on YouTube is generally secondary to LinkedIn, Twitter and Facebook.

5) Optimizing Performance

These sophisticated tools allow you to tune your website and landing pages for maximum performance.

Usability and A/B Testing
What are these? – These are two ways to optimize website visitor interaction and site performance. Usability tests track how individual users interact with and navigate a site. A/B tests deliver two versions of a web page to different visitors to determine which version performs better.

Why do I need them? – Most web teams spend significant time debating how to design a site's structure or what to change in a design. In most cases, it's impossible to determine the optimal approach without testing. By continually running tests on your site you will be able to demonstrate empirically what is working and develop actionable steps for improvement.

When should I do them? – If you are going to redesign your website, it's important to test your existing site to see what works well and what doesn't. Insights from these tests will inform decisions for the new design. It is good practice, as well, to conduct tests periodically on your existing site to optimize landing pages and conversion pathways to your goals.

6) Pay for Performance

These more specialized techniques allow you to gain visibility and web traffic on a paid basis.

Pay Per Click (PPC)
What is this? – Pay per click is an advertising channel typically associated with Google's Adwords program. You post an advertisement in the sidebar or top area of relevant Google search results and pay a small fee each time the ad is clicked.

Why do I need it? – PPC advertising can be a valuable supplement to organic (unpaid) search engine traffic. It should not, however, replace organic SEO entirely. Use PPC when you need to quickly generate additional web traffic or when you need to target a keyword term for which you don't rank organically. The traffic has the potential to be very targeted and high quality because the advertiser
is in control of keyword selection.

When should I do it? – Run a PPC campaign when you have a specific offer you are trying to promote. Google Adwords allows you to send traffic to specific landing pages, making PPC a reliable way to drive conversions for a campaign.

Banner Ads
What is this? – Banner ads are a form of advertising in which a firm's advertisement is displayed as a graphical banner on another website.

Why do I need it? – Banner advertising is effective in situations where increased visibility is a priority. Having your brand name displayed on a high traffic website will increase visibility quickly.
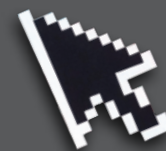
When should I do it? – If you want to increase visibility for a certain audience, target specific websites and carefully track ROI. Banner ads may work for carefully targeted, easy-to-communicate offers.

12
Conclusions
So what does it all mean?

The Results Are In

Online marketing for professional services firms works. Prior to this study, that was a difficult claim to make with confidence. There simply was not enough hard evidence to overcome widespread skepticism of new technologies and business development techniques.

The data in this report changes all of that. It offers professional services stakeholders a new perspective on marketing their firms, and it can provide valuable guidance as firms plan how to spend their marketing budgets.

Firms generating 40% or more of leads online grow 4X faster.

The Train is Leaving the Station

Each year, more firms are discovering the efficiencies and power of online marketing. And each year, more service buyers turn to the Internet to build a list of relevant firms.

If you have been reluctant to invest in your website, social media and other online tools, now is the time to take a hard look at your marketing options. You can bet your competitors will be evaluating theirs.

66% of firms plan to increase online spending in the next 12 months.

Next Steps

We offer a number of strategies to get you started in Chapter 11 of this report. But if you want to learn more about marketing your professional services firm, check out some of the free resources below:

Industry Online Marketing Reports
These reports provide additional online marketing data specific to major industries in our study. Follow the link below to learn more and download a free copy:

www.hingemarketing.com/industry-reports

Spiraling Up: How to Create a High Growth, High Value Professional Services Firm
This book explores the characteristics and marketing habits of firms that grow 9X faster and are 50% more profitable than average. Find out how they do it, and how you can, too. Available for free download:

www.hingemarketing.com/spiralingup

The Online Lead Generation Guide for Professional Services Firms
In this guide, you will learn how to make the most of your online marketing tools and access a whole new world of qualified leads. Available for free download:

www.hingemarketing.com/leadgenguide

About Hinge

Hinge is a national branding and marketing firm for professional services firms, including Architecture, Engineering and Construction (A/E/C), Technology, Management Consulting, Accounting and Finance, and Government Contracting firms. Hinge's services include Client Research, Brand Strategy Development, Graphic Design & Other Creative Services, Content Development, Website Development, Online Video Production, and Outsourced Marketing Services. For more information on Hinge, visit www.hingemarketing.com.

To keep atop the latest branding and marketing strategies for your professional service firm, follow us on social media and subscribe to our blog.

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About Hinge Research Institute

At Hinge, research is more than skin deep. It helps define who we are, how we help our clients and guides how we grow our firm. We also believe in sharing our knowledge, not only with our clients but also with the broader professional services community. This commitment has led to the establishment of Hinge Research Institute. The Institute is committed to conducting innovative research on professional services firms and their respective clients.

We are also committed to sharing that knowledge through original research studies, webinars, executive roundtables, whitepapers, articles and books. Please visit us at www.hingeresearch.com to find additional white papers, videos and research reports.

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