

# DEMAND GENERATION



BENCHMARKS REPORT

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## INTRODUCTION

Determining the success of your marketing programs and analyzing key performance indicators (KPIs) can be challenging if you don't have access to industry data.

HubSpot partnered with Qualtrics to find out how companies are generating demand for their brands and how successful they've been in their efforts. We surveyed more than 900 marketers, management level and above -- from all different industries -- in North America and Europe. This demand generation report provides data on KPIs like website visitors, leads, opportunities and customers, how marketers are allocating their budgets across various tactics and channels, email open and click-through rate statistics, and -- ultimately -- revenue generation.

Presented below are the results of that survey, along with actionable insights for your own future demand generation strategies.

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# TOP 5 TRENDS

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Short on time? Here is an executive summary of the five key trends we found in this data.

- 1) Companies meeting or exceeding their revenue goals attract significantly more website traffic and generate more leads, Marketing Qualified Leads (MQLs), sales opportunities, and customers than those that aren't. ([Tweet this stat](#))**

As you'll see in the Funnel Benchmarks by Revenue section, nearly 80% of companies not meeting their revenue goals attract 10,000 monthly website visitors or less.

For those exceeding their revenue goals, nearly the reverse is true. 70% report attracting *more* than 10,000 visitors per month.

Skip to the Funnel Benchmarks by Revenue section for more data on the relationship between visits, leads, MQLs, opportunities, or customers and revenue achievement.

- 2) Companies with the highest annual revenue also report more visitors, leads, MQLs, sales opportunities, and customers than other companies. ([Tweet this stat](#)).**

82% of companies generating \$250,000 or less in annual revenue report generating less than 100 leads per month whereas only 8% of companies generating \$1 billion in annual revenue report the same.

- 3) In general, the less companies knew about their KPIs, the less likely they were to meet their revenue goals. ([Tweet this stat](#))**

74% of companies that weren't exceeding revenue goals did not know their visitor, lead, MQL, or sales opportunities.

In addition, 40% of those not achieving their revenue goals didn't know their click-through rate. That's 90% more than those exceeding their revenue goals.

34% of those not achieving their revenue goals didn't know their open rate - 52% more than those exceeding their revenue goals.

- 4) Companies exceeding their revenue goals report branding, website design and optimization, and social media as their top 3 marketing investments. ([Tweet this stat](#))**

These are also the top three investments reported by all survey respondents. The lowest investments are in telemarketing and traditional advertising.

- 5) 24% of telecommunications companies aren't reaching their revenue goals (20% higher than average) and it is one of the few industries still ranking telemarketing and traditional advertising among their top investments. ([Tweet this stat](#))**

By contrast, the most successful companies rank branding, website design and optimization, and social media as top investments.

# FUNNEL BENCHMARKS: BY REVENUE

## Website Visitors

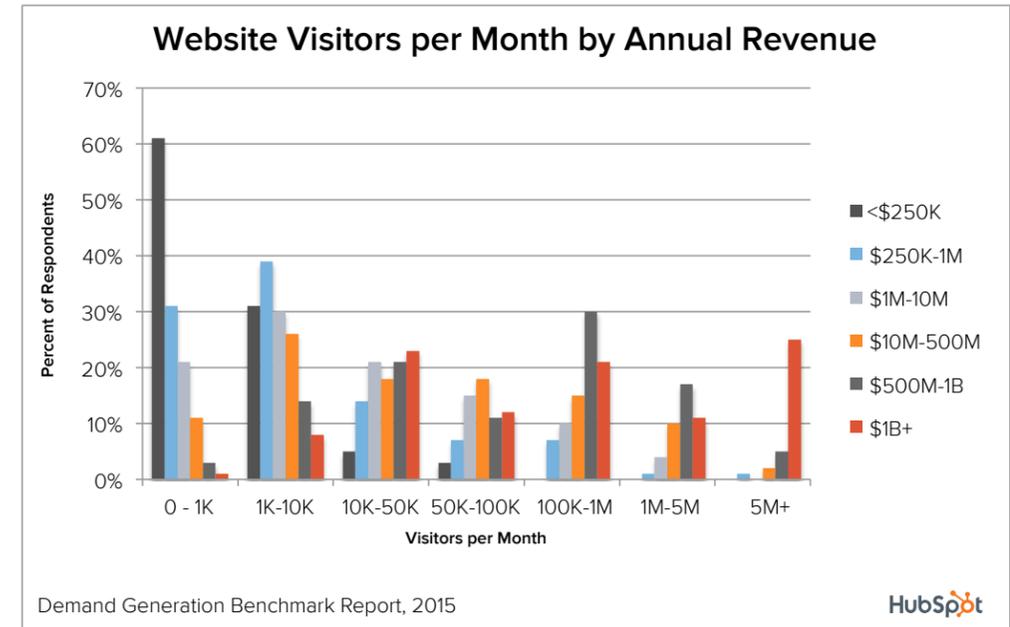


Companies achieving and exceeding their revenue goals report significantly more website traffic than those that aren't.

	Average Visitors / Month
Exceeding Revenue Goals	50,000 - 100,000
Achieving Revenue Goals	10,000 - 50,000
Not Achieving Revenue Goals	1,000 - 10,000

More than 50% of companies that aren't meeting their revenue goals generate less than 1,000 visitors per month and 80% generate less than 10,000. For those exceeding their revenue goals, nearly the reverse is true. 70% attract more than 10,000 visitors per month.

As you'll see in the following sections, there is also a correlation between website visitors and annual revenue.



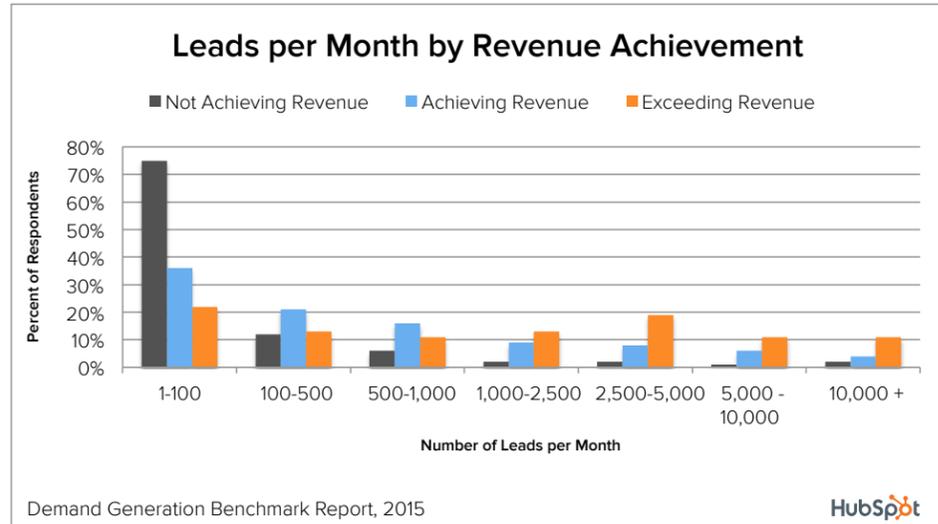
As the charts above and below show, the lower the annual revenue for a company, the lower the number of monthly website visitors.

Annual Revenue	Average Visitors / Month
<\$250K	1 - 1,000
\$250K - 1M	1,000 - 10,000
\$1M - 10M	10,000 - 50,000
\$10M - 500M	10,000 - 50,000
\$500M - 1B	50,000 - 100,000
\$1B+	100,000 - 1,000,000

92% of companies with annual revenues of \$250,000 or less generate 10,000 or fewer monthly website visitors. For \$1 billion companies, the reverse is true. 92% generate more than 10,000 visitors per month.

For companies generating less than \$250,000 in annual revenue, the average number of monthly visitors is between 1 and 1,000, whereas the average for companies generating more than \$1 billion in revenue is 100,000 to 1 million.

# Leads

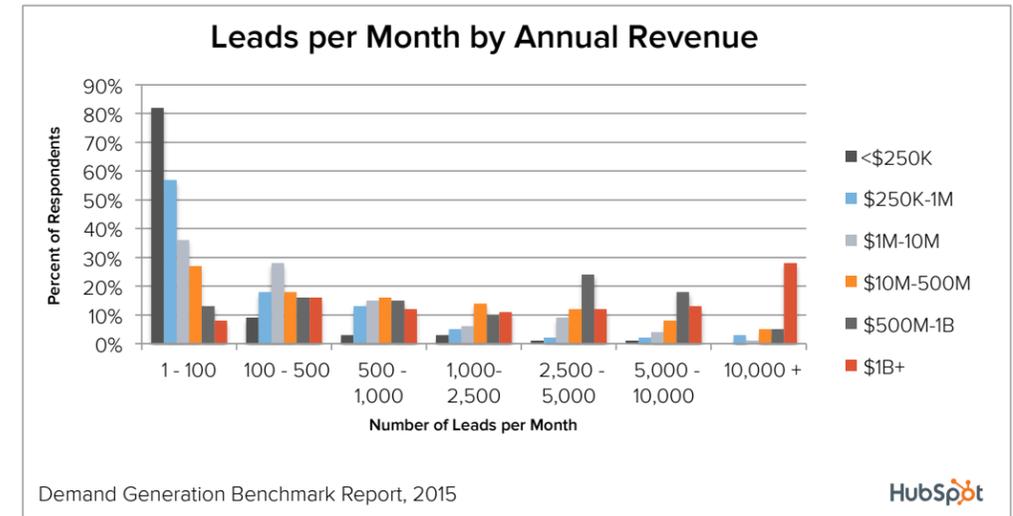


While the majority of companies are generating fewer than 500 leads per month, the same pattern exists here as with website visitors.

	Average Leads / Month
Exceeding Revenue Goals	1,000 - 2,500
Achieving Revenue Goals	500 - 1,000
Not Achieving Revenue Goals	101 - 500

Over 70% of those not achieving their revenue goals generate less than 100 leads per month and only 5% generate more than 2,500 leads per month. Companies achieving their revenue goals report slightly higher numbers, with only 36% generating 100 leads or less per month.

By contrast, companies that are exceeding their revenue goals have a higher overall overage and report much more varied responses. In fact, more than half of those exceeding their revenue goals report 1,000 leads or more per month and 41% generate more than 2,500 per month.

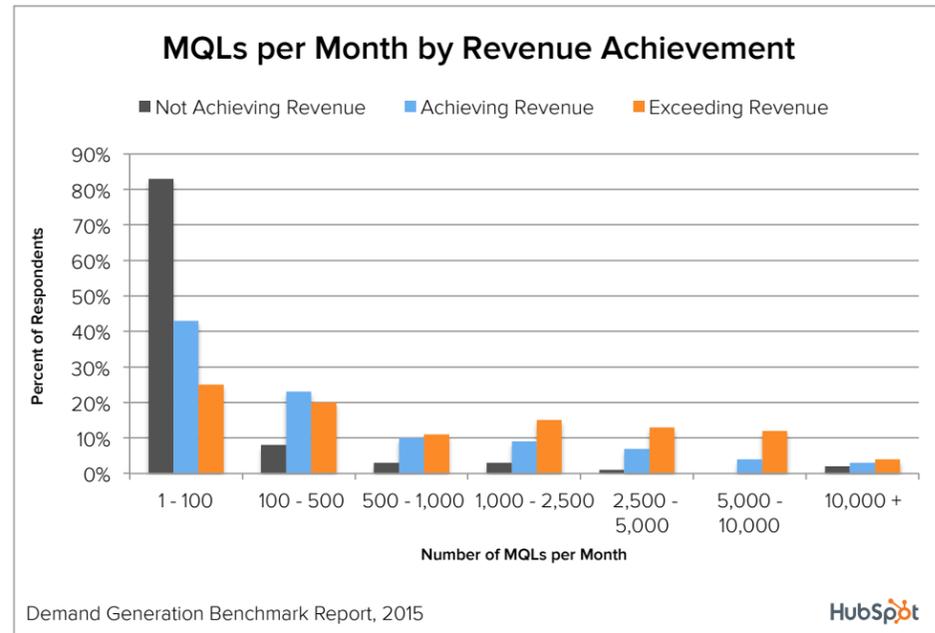


Annual Revenue	Average Leads / Month
<\$250K	1 - 100
\$250K - 1M	100 - 500
\$1M - 10M	100 - 500
\$10M - 500M	500 - 1,000
\$500M - 1B	1,000 - 2,500
\$1B+	2,500 - 5,000

Also as one might expect, the more revenue a company has, the more leads they generate.

The differences are most drastic at the highest and lowest end of the spectrum. 82% of companies with \$250,000 or less in annual revenue report generating less than 100 leads per month whereas only 8% of companies generating \$1 billion in annual revenue report less than 100 leads per month.

## Marketing Qualified Leads (MQLs)

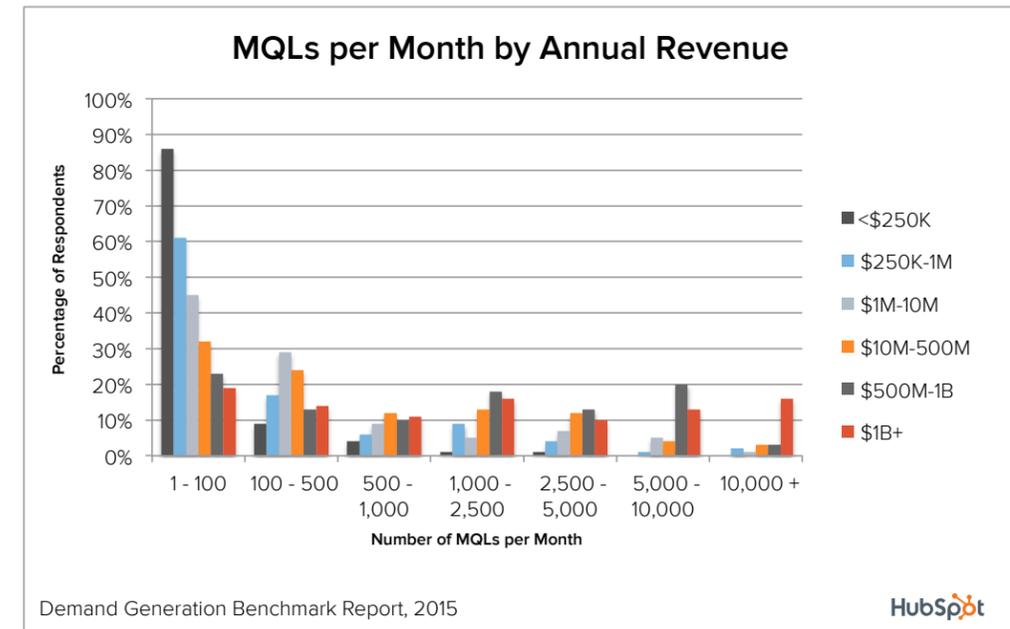


	Average MQLs / Month
Exceeding Revenue Goals	500 - 1,000
Achieving Revenue Goals	100 - 500
Not Achieving Revenue Goals	1 - 100

Most companies are generating less than 100 MQLs per month. However, the correlation with revenue achievement is present in this data set as well. Companies that are exceeding their revenue goals generate more MQLs than those that aren't.

91% of companies not achieving their revenue goals generate 500 MQLs or less per month, whereas the same is true for only 45% of companies exceeding their revenue goals.

Companies that are exceeding their revenue goals generate on average between 500 and 1,000 MQLs per month while those that aren't achieving them only average 1-100.



Annual Revenue	Average MQLs / Month
<\$250K	1 - 100
\$250K - 1M	100 - 500
\$1M - 10M	100 - 500
\$10M - 500M	500 - 1,000
\$500M - 1B	1,000 - 2,500
\$1B+	1,000 - 2,500

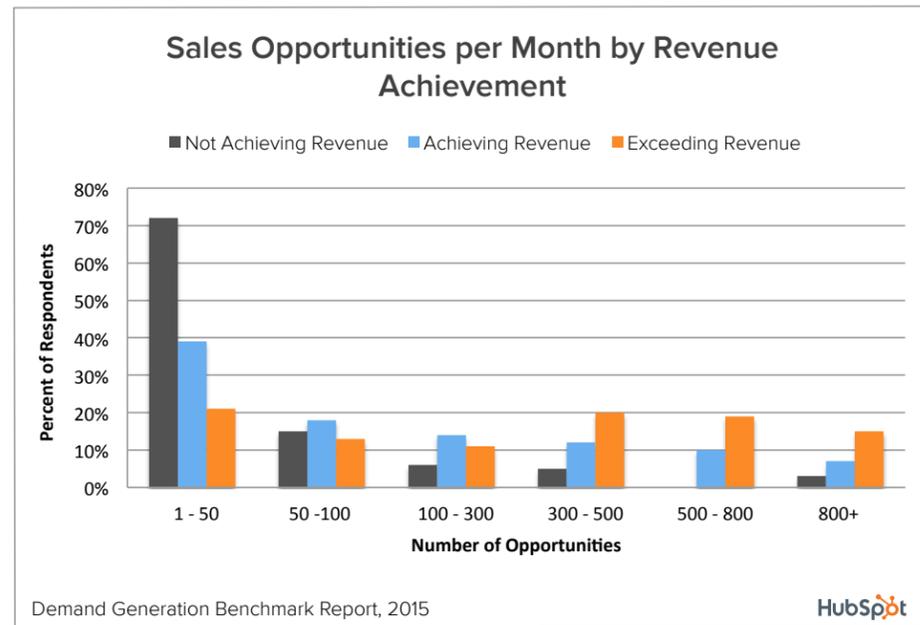
Companies with higher revenues also generate more MQLs.

95% of companies generating \$250,000 or less in annual revenue generate 500 MQLs or less per month, whereas over half of \$1 billion and above companies generate more than 1,000 MQLs per month.

The differences for companies in the middle of this scale aren't as drastic for opportunities as they are for visitors and leads. As you can see in the chart above, companies from \$250,000 in annual revenue to \$10 million all average the same number of MQLs, as do the companies above \$500 million.

However, the overall correlation between revenue and MQLs does exist.

## Opportunities

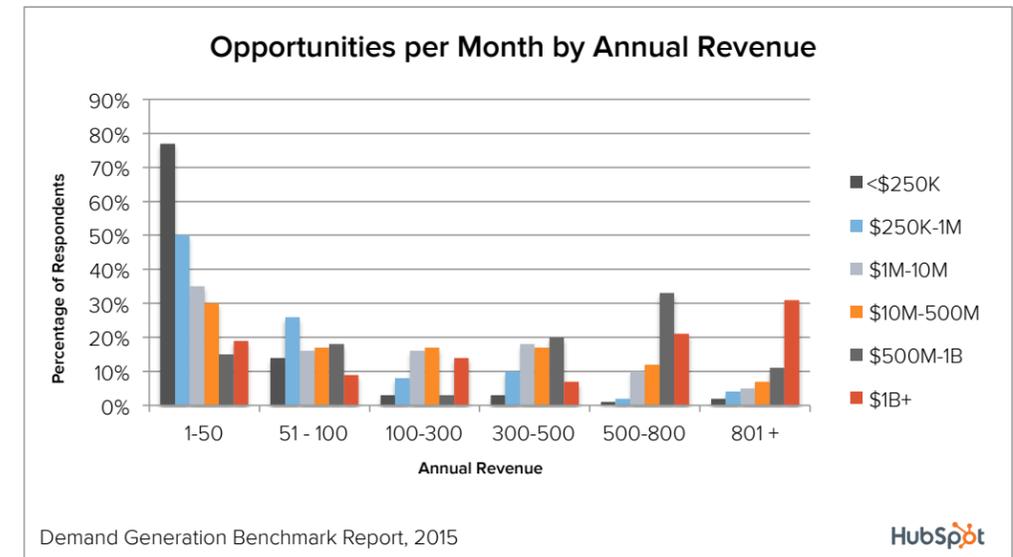


	Average Sales Opportunities / Month
Exceeding Revenue Goals	300 - 400
Achieving Revenue Goals	100 - 200
Not Achieving Revenue Goals	50 - 100

As you might imagine, the benchmarks for opportunities follow a similar pattern to those for visitors, leads, and MQLs.

Companies achieving and exceeding their revenue goals report more opportunities than those that aren't.

87% of companies that are not achieving their revenue goals generate less than 100 opportunities per month, while the same is true for only 20% of those exceeding their goals.

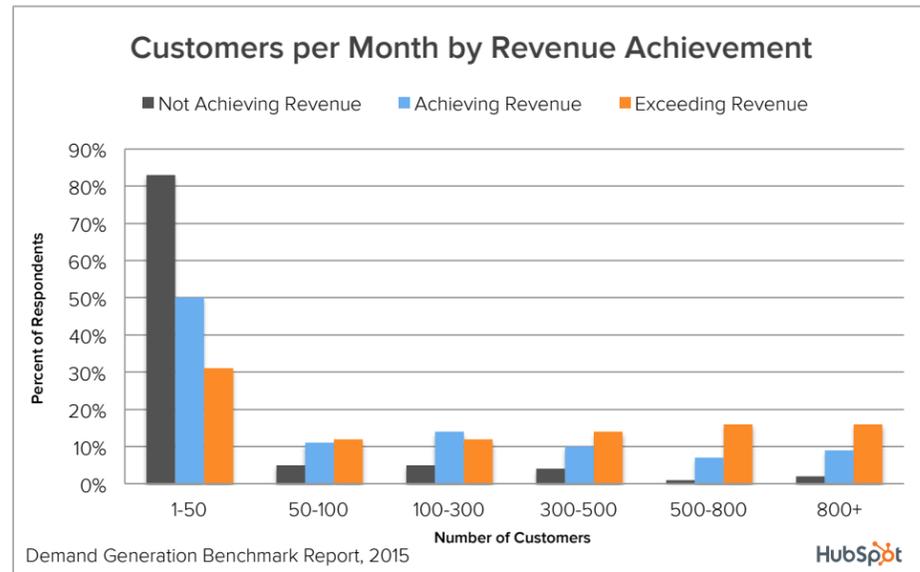


Annual Revenue	Average Opps / Month
<\$250K	50 - 100
\$250K - 1M	50 - 100
\$1M - 10M	100 - 200
\$10M - 500M	200 - 300
\$500M - 1B	300 - 400
\$1B+	400 - 500

The pattern we've been seeing continues here as well. Nearly 80% of companies with \$250,000 or less in annual revenue report generate 50 opportunities or less per month, whereas 82% of \$1 billion companies generate *more* than 50 opportunities per month.

For \$1 million companies, 35% report 50 opportunities or less per month and nearly 30% report between 50 and 200.

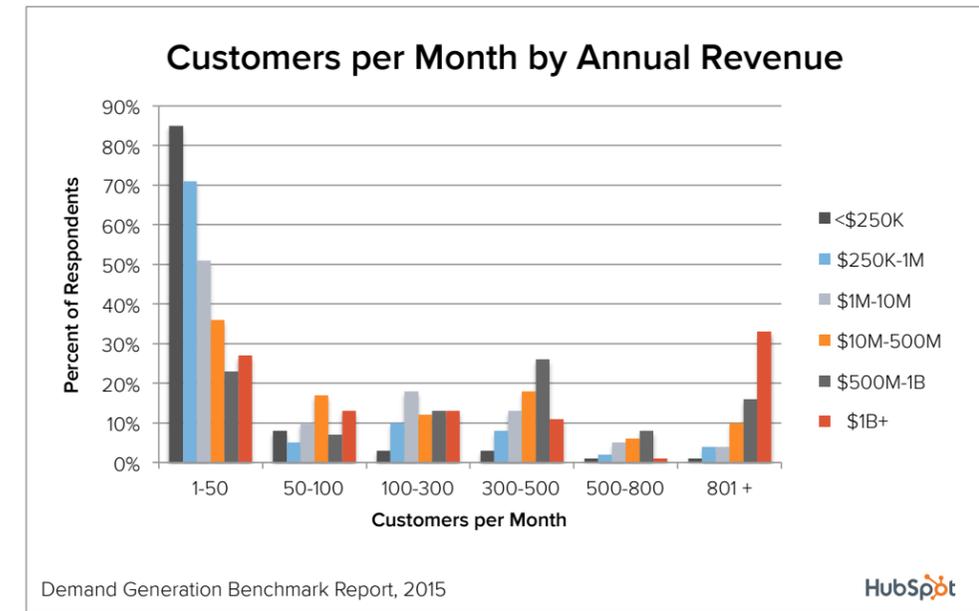
## Customers



	Average Customers / Month
Exceeding Revenue Goals	400 - 500
Achieving Revenue Goals	100 - 200
Not Achieving Revenue Goals	50 - 100

As you might expect, there is a strong correlation between the companies that report exceeding their revenue goals and those that report having a higher number of customers.

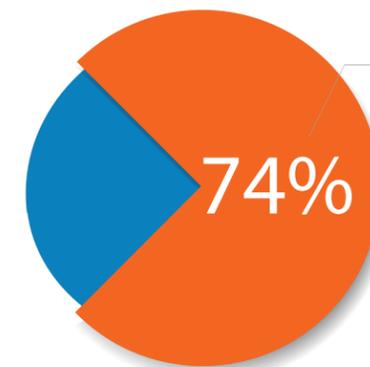
As you'll see in the charts below, there is also a correlation between having more annual revenue and a higher number of customers.



Annual Revenue	Average Customers / Month
<\$250K	1 - 50
\$250K - 1M	50 - 100
\$1M - 10M	100 - 200
\$10M - 500M	200 - 300
\$500M - 1B	300 - 400
\$1B+	300 - 400

93% of companies reporting \$250,000 or less in annual revenue also report 100 customers or less per month, while \$1 billion companies report a wider variety in the number of customers they generate. Nearly one third of those companies report generating more than 800 customers per month.

## Knowing The Numbers



Of companies that weren't exceeding revenue goals did not know their visitor, lead, MQL, or sales opportunities.

## Key Takeaways

Companies exceeding their revenue goals and those that report more annual revenue also report a higher number of monthly website visitors, leads, MQLs, sales opportunities, and customers.

Of the companies not achieving their revenue goals, nearly 80% generate 10,000 monthly website visitors or less. 70% of those exceeding their revenue goals attract *more* than 10,000 visitors per month.

While achieving a high number of website visitors shouldn't be the your goal, attracting traffic to your site is a key part of bringing potential leads into your funnel. It's estimated that [around 78% of Internet users](#) do product research online before making a purchase. Attracting the right type of traffic is also key to the [Inbound Methodology](#).

Lead generation is also important, whether it's converting a portion of website visitors or generating leads from other sources. Again, companies generating more leads also report achieving or exceeding their revenue goals more often and report higher annual revenues. The average number of leads for companies exceeding their revenue goals is 1,000 – 2,500 per month, while companies not achieving their revenue goals only average 100-500.

As we move down the funnel, the correlation holds. Companies exceeding their revenue goals generate about 300-900 more MQLs per month than companies not achieving their goals. Those with \$250,000 in annual revenue report, on average, 100 MQLs or less per month, 50-100 opportunities, and 1-50 customers. By contrast, \$1 billion companies report on average, 1,000 – 2,500 MQLs, 400-500 opportunities, and 300-400 customers per month.

A solid lead nurturing strategy and effective marketing automation are key to moving leads down the funnel. According to Marketing Sherpa, 79% of all marketing leads never convert into sales and a lack of lead nurturing is the common cause. (See this and more stats [here](#)). Here are some [tips on lead nurturing](#) and [choosing the right marketing automation vendor](#).

## FUNNEL BENCHMARKS: BY INDUSTRY

Industry	Average Monthly				
	Visitors	Leads	MQLs	Sales Ops	Customers
Education	10,000 - 50,000	100 - 500	100 - 500	100 - 200	100 - 200
Healthcare & Medical	10,000 - 50,000	100 - 500	100 - 500	100 - 200	100 - 200
Marketing Agencies	10,000 - 50,000	100 - 500	100 - 500	100 - 200	100 - 200
Consulting	10,000 - 50,000	100 - 500	100 - 500	100 - 200	100 - 200
Industrial & Manufacturing	10,000 - 50,000	100 - 500	100 - 500	100 - 200	50 - 100
Media & Publishing	10,000 - 50,000	100 - 500	100 - 500	100 - 200	50 - 100
Travel & Tourism	10,000 - 50,000	500 - 1,000	500 - 1,000	100 - 200	300 - 400
Software	10,000 - 50,000	500 - 1,000	500 - 1,000	100 - 200	50 - 100
Information Tech & Services	10,000 - 50,000	500 - 1,000	500 - 1,000	200 - 300	200 - 300
Consumer Products	10,000 - 50,000	500 - 1,000	500 - 1,000	300 - 400	200 - 300
Financial Services	50,000 - 100,000	500 - 1,000	500 - 1,000	200 - 300	200 - 300

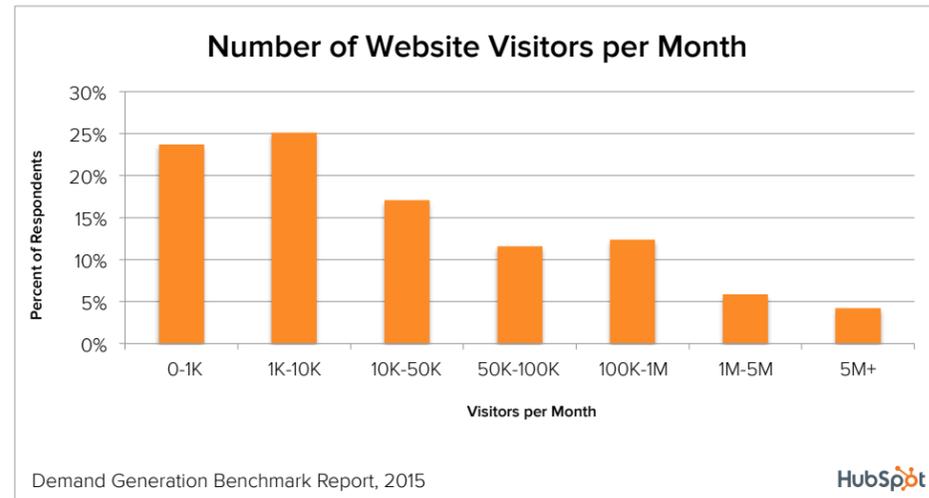
Demand Generation Benchmark Report, 2015 

There weren't many differences across industries in terms of website visitors, leads, MQLs, or sales opportunities generated. Here are the noteworthy ones:

- In all industries except Financial Services, the average number of monthly website visitors is 10,000 - 50,000.
- Financial Services companies report the highest number of visitors but around the same number of leads, MQLs, opportunities, and customers, possibly indicating lower conversion rates.
- Travel & Tourism, Software, Information Technology & Services, and Consumer Products companies report the highest numbers of leads and MQLs, but the same number of website visits as other industries.
- Travel and Tourism companies report the highest number of customers, while reporting similar numbers in other areas, possibly suggesting higher conversion rates.

# FUNNEL BENCHMARKS: ALL RESPONSES

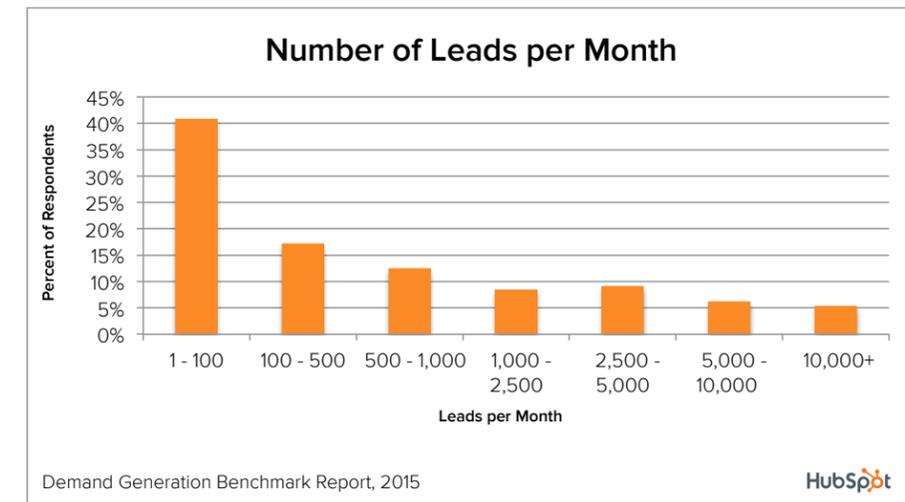
## Website Visitors



The majority of companies report between 1,000 and 10,000 visitors per month. Nearly 50% report 10,000 monthly visitors or less.

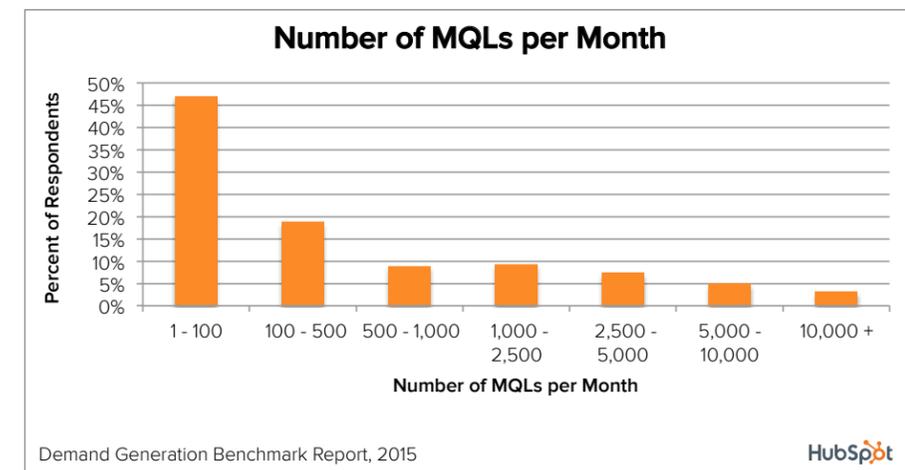
As we covered in the sections above, those that are exceeding their revenue goals and those with higher annual revenues report significantly more website traffic than their peers. The average for those achieving their revenue goals is 10,000 - 50,000 and for those exceeding their goals it jumps to 50,000 - 100,000. Companies with over \$1 million in annual revenue all average more than 10,000 visitors per month.

## Leads



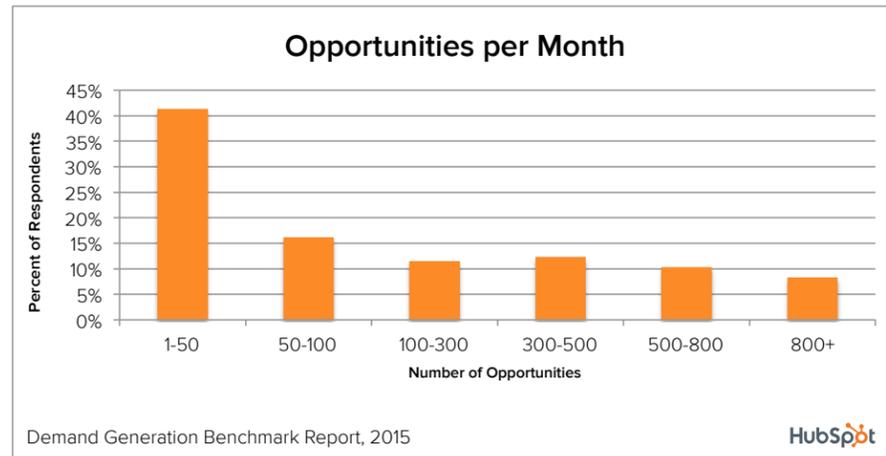
58% of companies generate 500 leads per month or less and 71% generate 1,000 or less. However, as we saw previously, the companies having the most success are also the ones generating the most leads.

## Marketing Qualified Leads (MQLs)



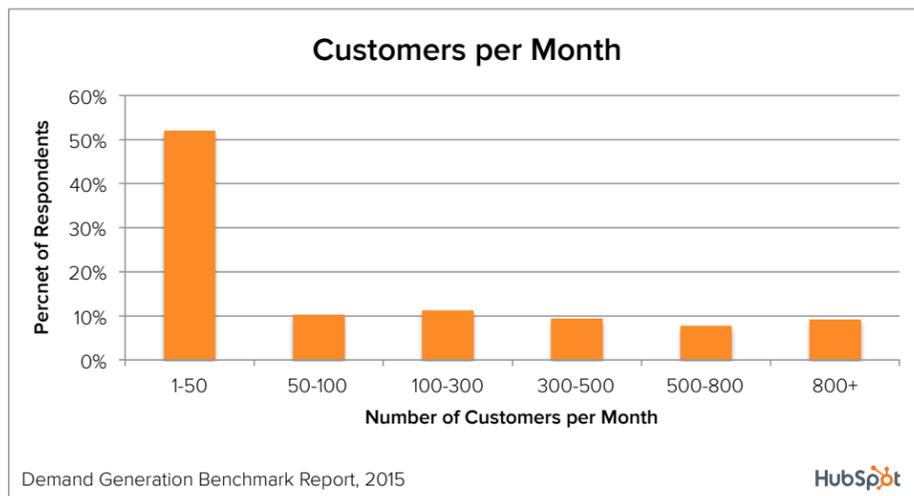
Most companies generate 100 or fewer MQLs per month and more than half generate 500 or less. However, as we saw above, companies achieving their revenue goals generate on average, 100 - 500 per month and the average for all companies with more than \$250,000 in annual revenue is over 100 leads per month.

## Opportunities



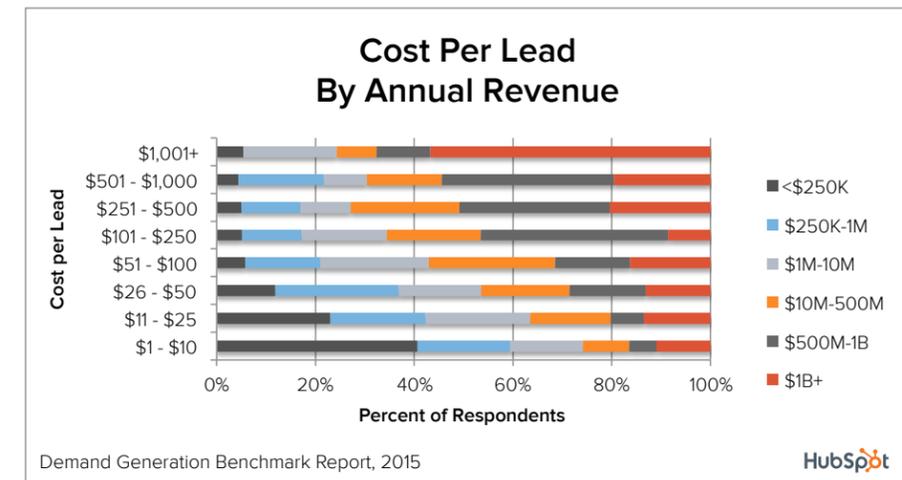
57% of companies report generating 100 sales opportunities per month or less. (Although this jumps to nearly 90% for those not achieving revenue goals). Only 9% of total respondents report generating more than 800 opportunities per month.

## Customers



Just over 50% of the respondents are generating 1-50 customers per month, while the rest are fairly evenly spread from 50 to over 800 customers per month.

## COST PER LEAD BENCHMARKS: BY REVENUE



Companies with higher annual revenues tend to pay a higher cost per lead. However, companies with between \$250,000 and \$10 million in revenue all average a cost per lead of \$26-\$50.

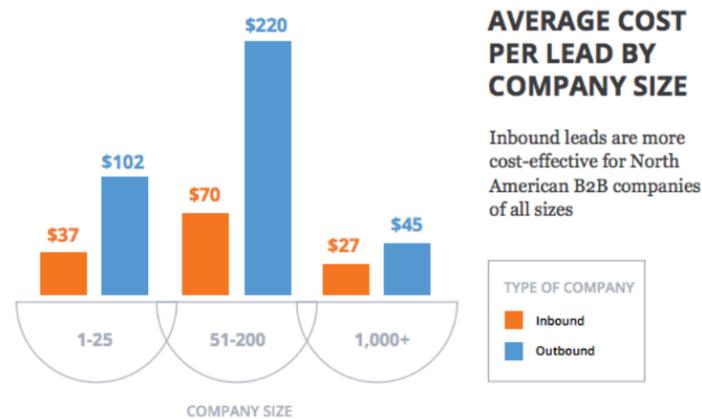
## COST PER LEAD BENCHMARKS: BY INDUSTRY

Industry	Cost Per Lead
Media & Publishing	\$11 - \$25
Education	\$26 - \$50
Healthcare & Medical	\$26 - \$50
Consulting	\$26 - \$50
Industrial & Manufacturing	\$26 - \$50
Travel & Tourism	\$26 - \$50
Consumer Products	\$26 - \$50
Software	\$51 - \$100
Information Tech & Services	\$51 - \$100
Marketing Agencies	\$51 - \$100
Financial Services	\$51 - \$100

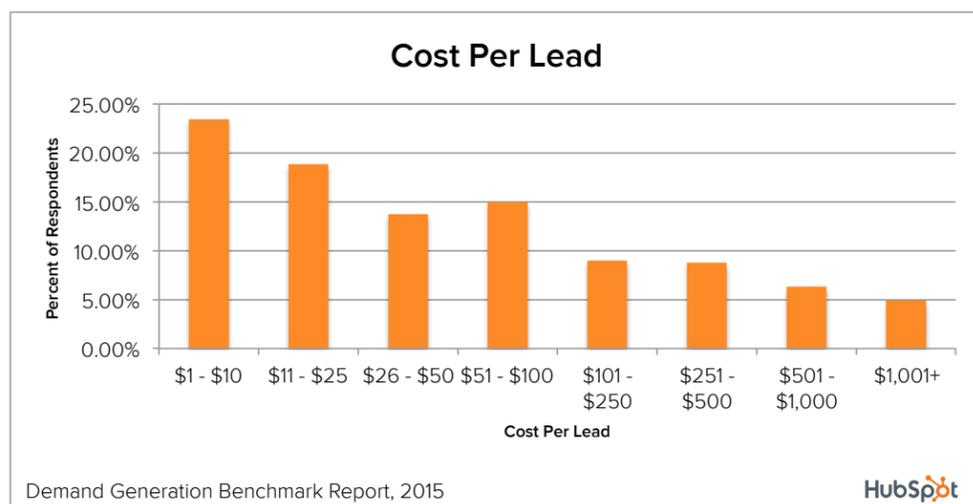
The cost per lead varies by industry, with Media and Publishing reporting the lowest cost per lead at \$11-\$25. Software, Information Tech & Services, Marketing Agencies, and Financial Services companies all reporting the highest average cost per lead at \$51 - \$100.

## COST PER LEAD BENCHMARKS: BY COMPANY SIZE

The [2014 State of Inbound Report](#) also asked about cost per lead and found that mid-sized companies had a higher cost per lead than both companies under 25 employees and those over 1,000. It also found that the cost per lead for companies using an inbound strategy was far lower than those using an outbound strategy.



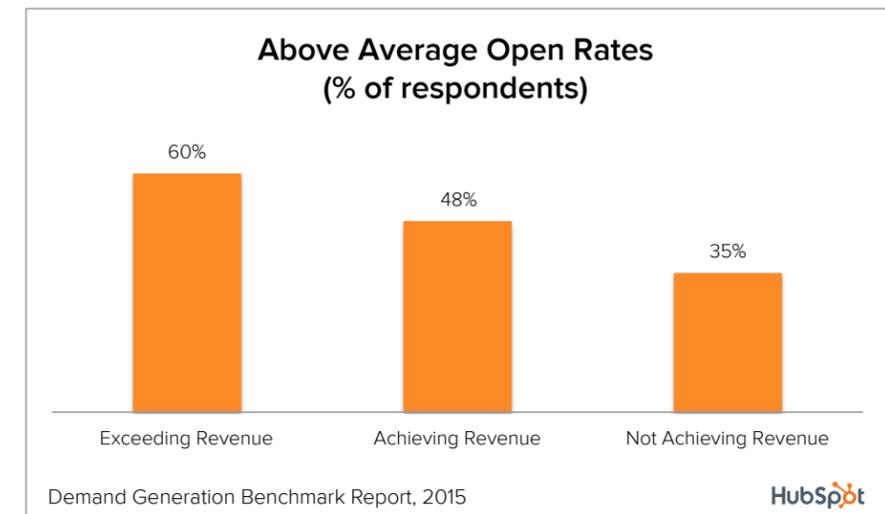
## COST PER LEAD BENCHMARKS: ALL RESPONSES



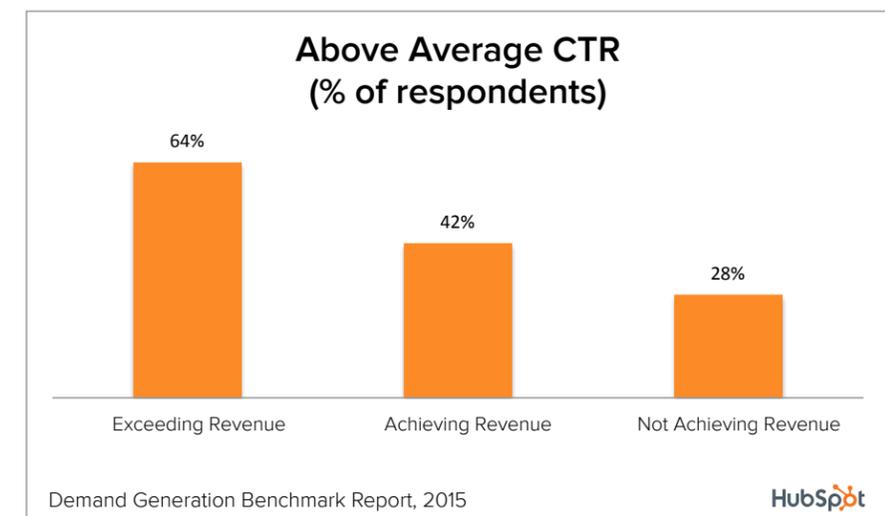
The cost per lead ranged from an average of \$11-\$25 per lead up to an average of \$251 - \$500 per lead.

## EMAIL BENCHMARKS: BY REVENUE

Companies exceeding or achieving their revenue goals report both higher click-through and higher open rates.

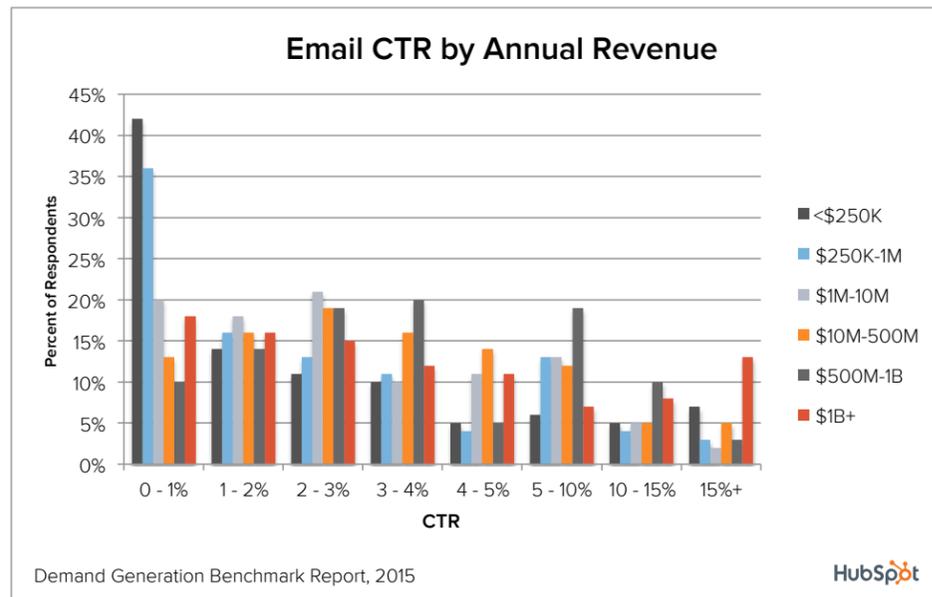
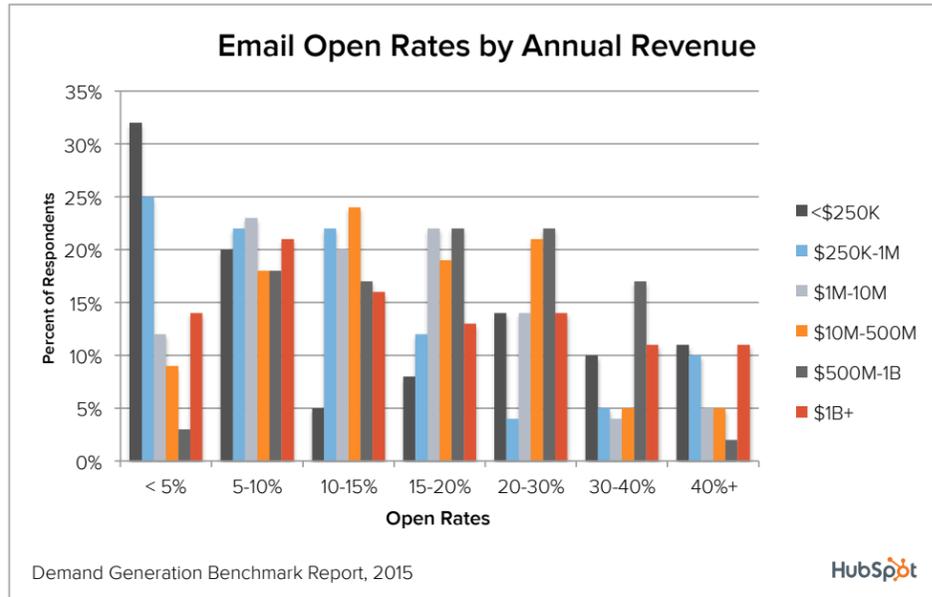


60% of those exceeding their revenue goals had an above-average open rate, while the same was true for only 48% of those achieving their revenue goals and 35% of those not achieving their goals.



64% of those exceeding their revenue goals have an above-average click-through rate, while only 28% of those not achieving their goals had an above average open rate.

In terms of annual revenue, the biggest difference is at the lowest end of the spectrum. The majority of companies generating \$250,000 or less in annual revenue report open rates under 5% and CTRs under 1%. Companies generating more than that report much more varied responses in terms of both open rate and CTR.



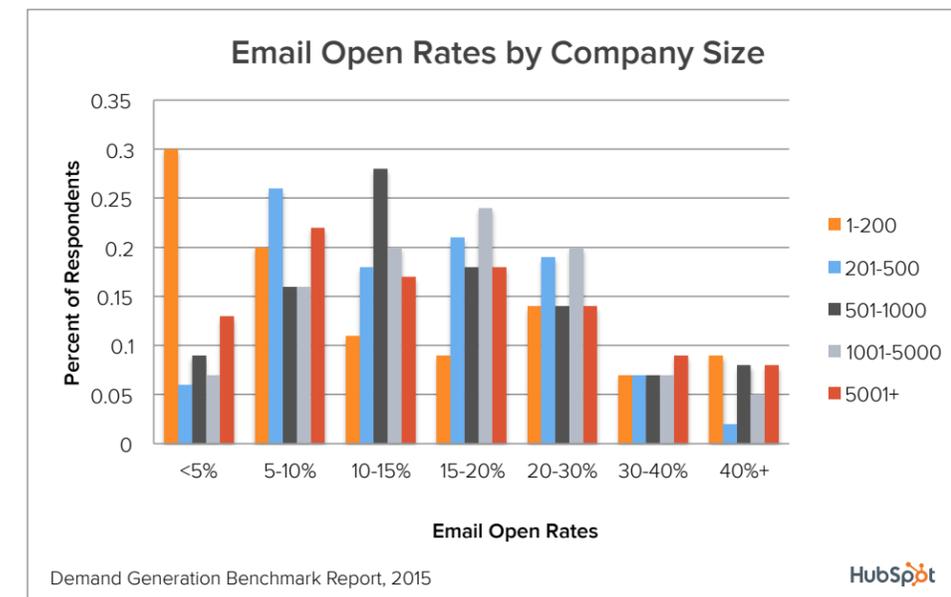
## Knowing The Numbers

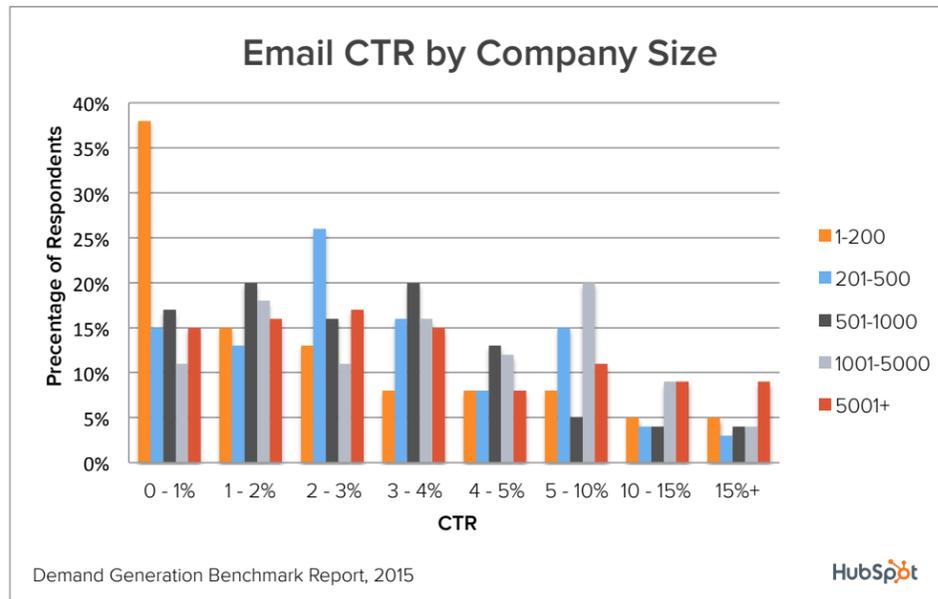
Of those companies not achieving their revenue goals:



In the case of those who didn't know their CTR, that's **90% more than those exceeding their revenue goals**. Of those that didn't know their open rates, that's **52% more than those exceeding their revenue goals**.

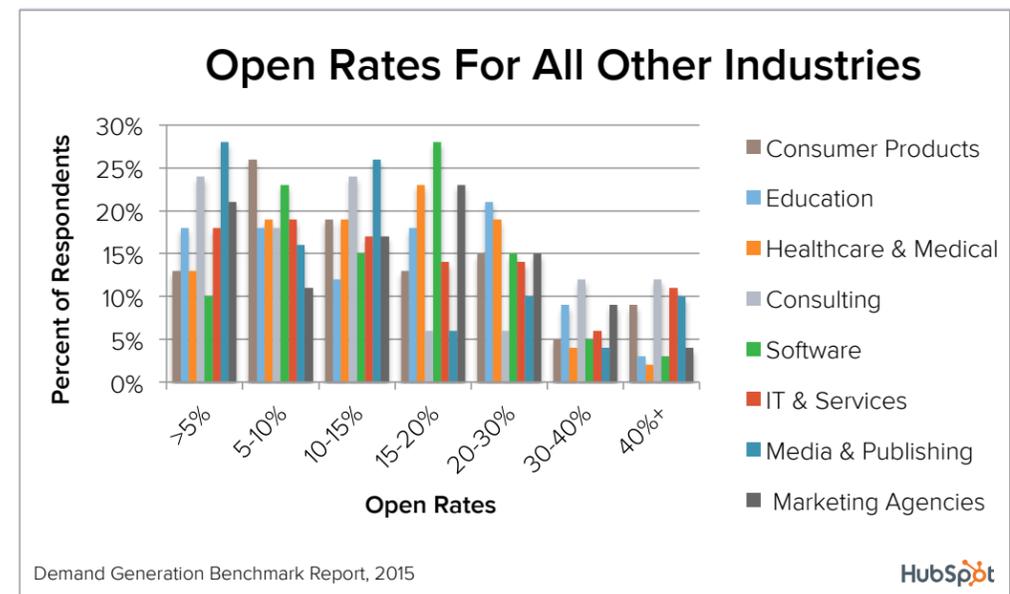
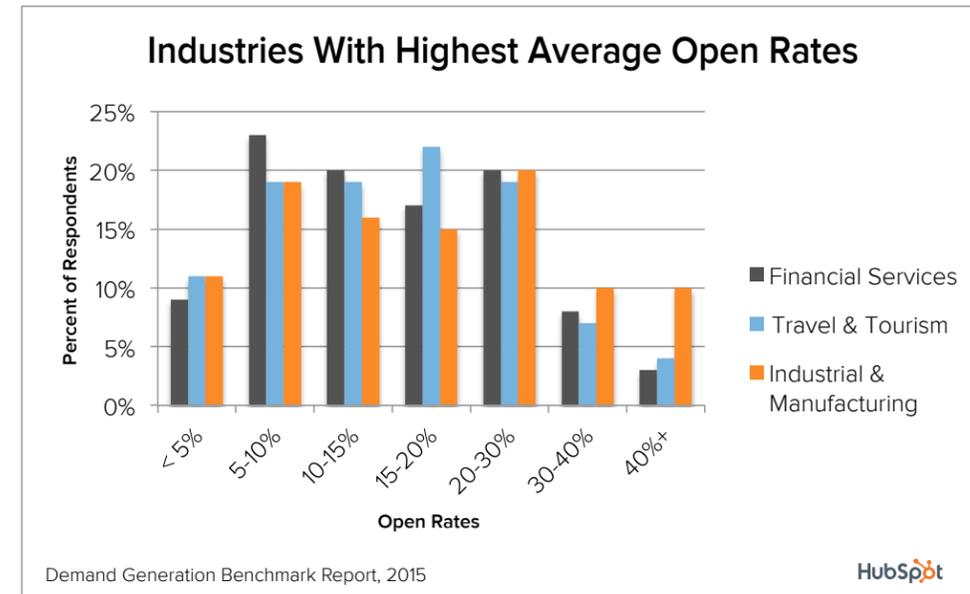
## EMAIL BENCHMARKS: BY COMPANY SIZE





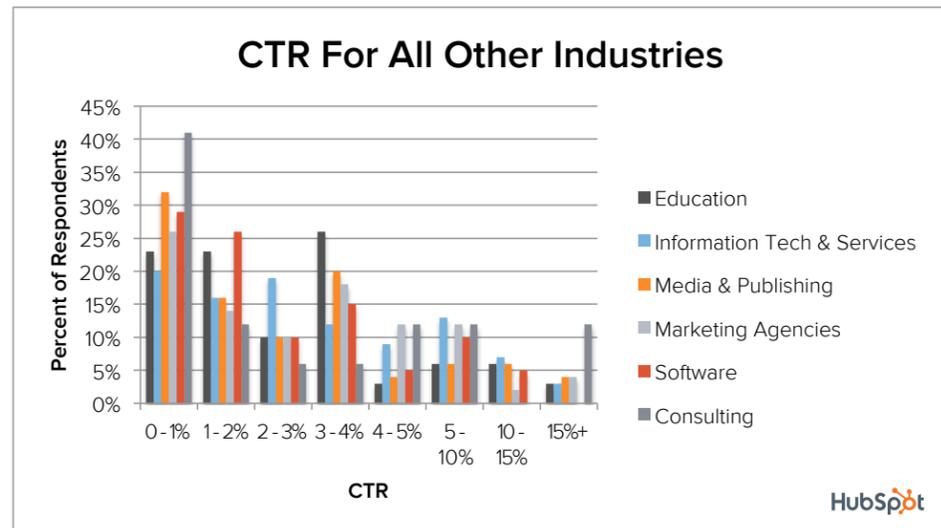
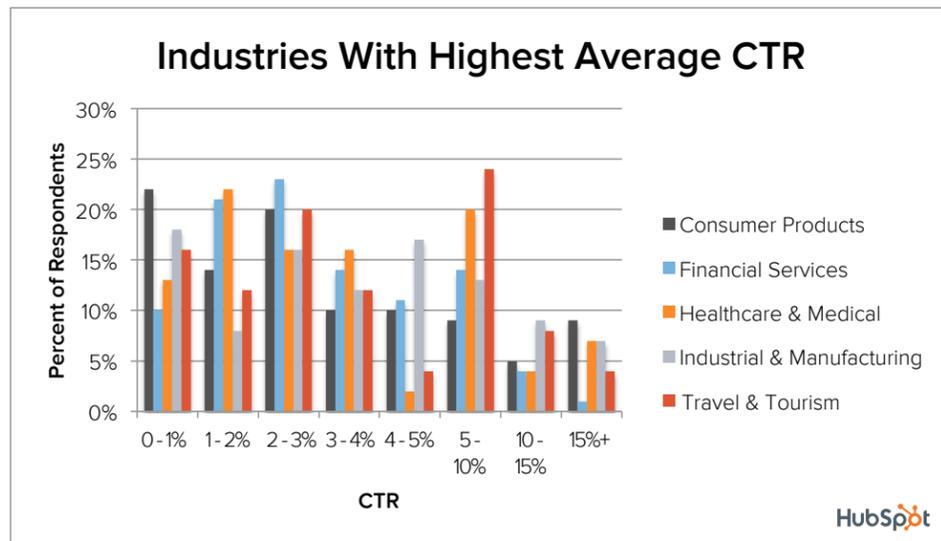
Companies with fewer than 200 employees tend to see lower overall open rates and CTRs. Nearly 40% of companies with 200 or fewer employees have open rates of 1% or less and 20% of them have open rates of 5% or less. For companies with over 200 employees, however, there isn't that big of a difference in email metrics and as you get larger than 500, the differences become even less significant.

## EMAIL BENCHMARKS: BY INDUSTRY

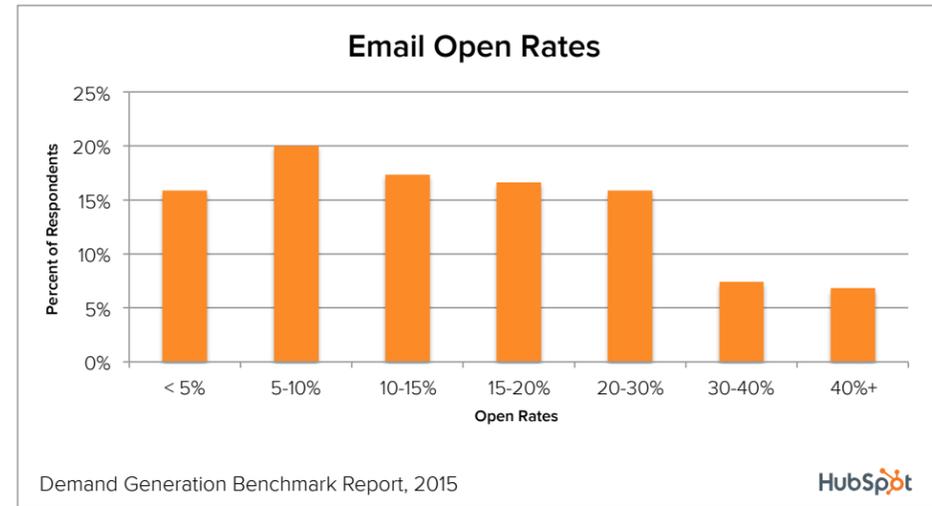


The Financial Services, Travel and Tourism, and Industrial and Manufacturing industries report a 15-20% open rate on average, while all other industries report a 10-15% open rate on average.

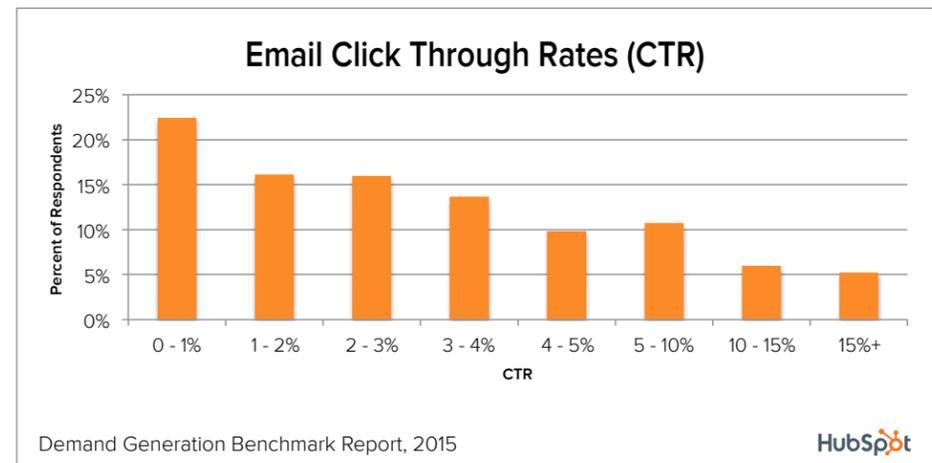
# EMAIL BENCHMARKS: ALL RESPONSES



Consumer Products, Financial Services, Healthcare & Medical, Industrial & Manufacturing, and Travel & Tourism industries all report on average about 1 – 2% higher CTR than other industries.



Companies reported a variety of open rates, from under 5% to over 40%. The majority reported a 5-10% open rate.



The average CTR is around 2-3%, although some companies report CTRs as high as 15%+.

## Key Takeaways

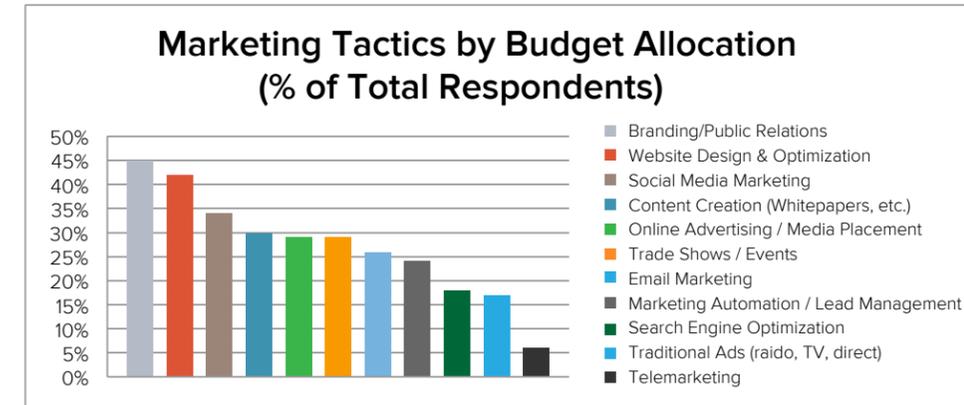
The data showed a correlation between achieving revenue goals and higher open rates and click-through rates (CTRs).

It also showed that there is some correlation between having fewer than 200 employees or less than \$250,000 in annual revenue and lower than average open rates and CTRs. However, most of the companies above \$250K or 200 employees showed little difference in open rates and CTRs.

It also showed the highest open and CTRs for three industries: Travel and Tourism, Financial Services, and Industrial and Manufacturing. However, the averages didn't vary greatly.

Perhaps the most telling statistic was the number of companies that didn't know their open and CTRs. 40% of respondents who weren't meeting their revenue goals said that they didn't know their CTR, and 34% didn't know their email open rate. The takeaway here is that the more you know about how your potential customers are responding to your demand generation tactics, the better equipped you'll be to convert them into sales. Benchmark and understand your own open and CTRs, and work to improve them.

## TOP MARKETING INVESTMENTS: ALL RESPONSES



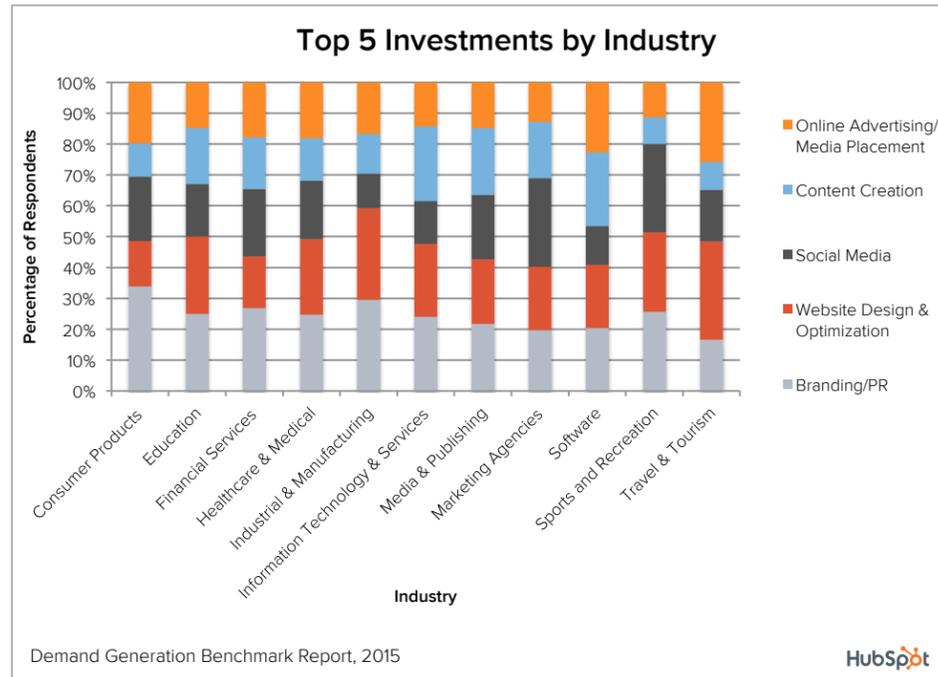
Respondents were asked to rank the three marketing tactics that receive the most budget allocation. The biggest investments are in branding, then website design and optimization, followed by social media. Those same tactics, in that order, were also ranked as the highest investments by survey respondents who are exceeding their revenue goals.

The tactics with the lowest investments were traditional advertising and telemarketing. This is not surprising as these tactics are far less effective than more modern tactics like website optimization, content, and social media. As HubSpot and other organizations have reported in the past, 200 million Americans have registered their phone numbers on the FTC do not call list (HubSpot), 86% of people skip television ads (Votier Digital), and cold calling doesn't work 90.0% of the time (HBR).

SEO was also ranked low in terms of marketing investment. This may be because the budget required for a good SEO strategy is simply lower than other tactics, such as branding and PR or website design. Additionally, the lines between where SEO ends and other strategies, such as content marketing, begin, are blurring all the time. Content creation was ranked as the fourth highest investment. As getting found online is critical to success, marketers are undoubtedly still optimizing their webpages (and landing pages) for search engine discoverability.

# TOP MARKETING INVESTMENTS: BY INDUSTRY

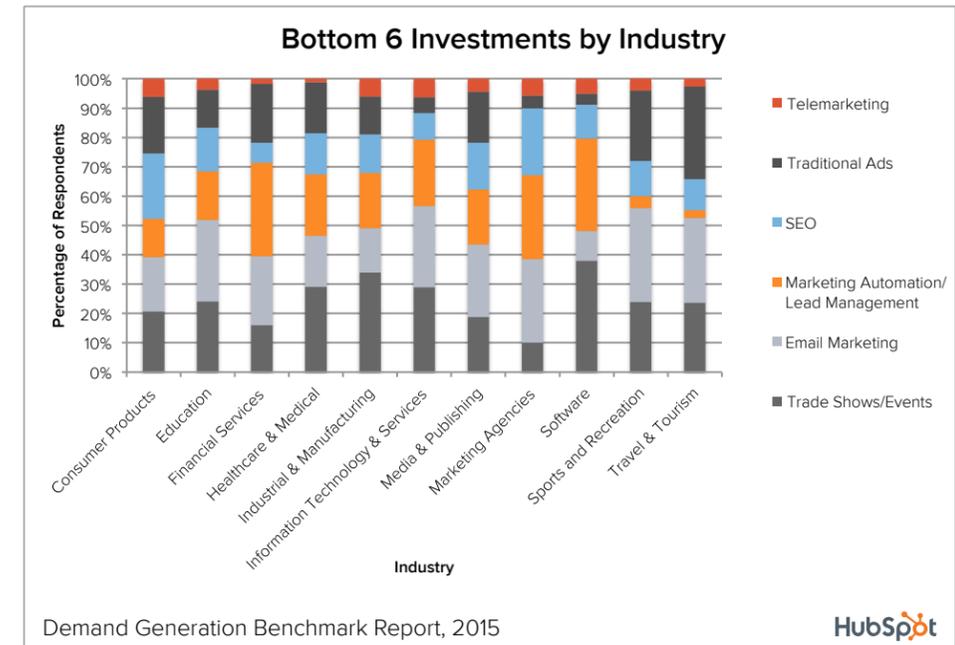
The tactics employed do vary by industry. The graph below shows the overall top five marketing investments, broken down by industry.



Here are a few key takeaways:

- The Travel and Tourism industry lists online advertising as a top investment, which is 75% more than other industries.
- Social media, while ranked an important investment overall, holds even more weight for marketing agencies, with over half of them considering it their top investment.
- Content creation is a top investment for 43% of Information Technology companies, which is 54% more than other industries.

The graph below shows the overall bottom five marketing investments, broken down by industry.



Here are the statistics that stand out from this data set:

- Financial Services companies list Marketing Automation as a top investment, which is 73% higher than other industries.
- Both software companies and manufacturers list trade shows as one of their top marketing tactics, ranking them significantly higher than companies in other industries.
- The Telecommunications industry is one of the only fields still ranking telemarketing and traditional advertising among their most important tactics. It should also be noted, though, that 24% of telecommunications companies aren't reaching their revenue goals, which is 20% higher than the average.

# SUMMARY OF RESULTS

From all of this data, what can you hope to take away that will be useful in shaping your own marketing strategy for the future? First, content creation, social media, and website design and optimization have continually proven to be the most effective for demand generation. Traditional outbound methods, which have been marketing staples for decades, are losing popularity as they become less successful.

Companies exceeding their revenue goals generate significantly more website visits, leads, MQLs, sales opportunities, and customers than those that don't. Attracting the right type of traffic to your website and generating the right type of leads is important, as is nurturing those leads to become MQLs, opportunities, and eventually customers. Companies that meet or exceed their revenue goals also show somewhat higher email open and click-through rates.

These benchmarks don't vary greatly by industry or company size. True, there's some variation. Certain industries do better in certain areas, such as the financial industry's success at website traffic. And in terms of company size, the very smallest companies have smaller numbers, and the very largest ones have the biggest numbers, but for the vast majority in the middle, the numbers are mostly the same.

Perhaps the most important takeaway, though, is that monitoring and understanding these factors is a major contributing factor to overall success. In general, the less companies knew about their KPIs, the less likely they were to meet their revenue goals.

# LOOKING TO GENERATE MORE DEMAND?

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