



2013 STATE OF

INBOUND MARKETING



HubSpot's Fifth Annual Executive Review of
Inbound Marketing Trends and Tactics

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Introduction

Letter from the author

Welcome to HubSpot's fifth annual State of Inbound Marketing Report.

At HubSpot, our founding mission is to transform the way people do marketing. The traditional methods of reaching people through interruptive and annoying tactics are disappearing – and those that aren't are becoming increasingly expensive and ineffective. Further, these high-pressure tactics are counterproductive to building long-term relationships with customers.

We also believe that engaging consumers means much more than simply finding the newest channel to push out a message to the masses. Instead, marketing today is about understanding how consumers research and make purchase decisions in this hyper-connected, digital world. It's about meeting them at every stage of that decision by integrating relevant content with context on your consumers. It's about a unified process of attracting audience, converting prospects, closing leads, and delighting customers in ways they actually desire.

It's about creating marketing people love: inbound marketing.

While we at HubSpot have strong opinions about inbound, every year for the past five years, we've turned to our larger marketing community to share insights on what inbound marketing means to their companies. The research seeks to uncover marketers' perspectives on everything from what inbound marketing is to how (or if) they use inbound strategies to the budgets and resources they're dedicating to inbound marketing.

And here's what we learned: **Inbound marketing not only has staying power, it's growing.** It has proven itself to be much more than the next shiny technology or the latest buzzword. The research shows that nearly 60% of marketers have adopted inbound marketing strategies and more than 80% of those executing inbound marketing have integrated it into broader company goals. People are also investing more in inbound, as budgets for this strategy have grown nearly 50% in each of the past three years.

What's exciting to all of us at HubSpot is that marketers today understand that inbound is not just a set of tactics but an ideology and framework for how businesses will find customers in the next decade.

The 2013 State of Inbound Marketing Report looks to tease out how the industry has evolved over the past five years and highlight opportunities we still have for growth. It includes insight from over 3,300 executives, business owners and marketers on every continent on the globe, just 9% of which were HubSpot customers. We delve into executive strategic vision for inbound marketing, make the business for adopting an inbound philosophy, review specific tactics by channel, and detail how to build an industry leading inbound team.

As inbound marketing continues to mature, marketers will continue to innovate. And we're excited to be a part of this remarkable industry. If you haven't already embarked with us, we invite you to join our community and help us innovate even further. If you're already an inbound marketer, be proud – you're helping transform the world through your work.

For the love of marketing,

Meghan Lockwood



Top 10 lessons from the 2013 State of Inbound Marketing Report

- 1. Inbound is real, and it shows remarkable traction for such a new industry:** While inbound marketing is a relatively new industry, it shows sizeable market share and impressive budget growth rates.
 - Sixty percent of companies will execute inbound marketing strategies in 2013
 - Marketers allocate 34% of their overall budgets to inbound tactics – 11% more than they dedicate to outbound strategies, like banners, direct mail, and more.
 - This year, 48% of marketers plan to increase their inbound marketing spending – the third year in a row that inbound budgets are increasing at a near 50% pace.

- 2. Inbound also delivers on its ROI promises, providing more and cheaper leads that convert at higher rates:** Twice as many marketers say inbound marketing delivers below average cost per leads versus outbound strategies. Our survey found that 34% of all the leads generated in 2013 come from inbound marketing sources. In fact, inbound delivers 54% more leads into the marketing funnel than traditional outbound leads.

In 2013, 41% of marketers confirm inbound produces measurable ROI, and a staggering 82% of marketers who blog see positive ROI for their inbound marketing.

Inbound leads also deliver superior cost per lead and cost per customer. In fact, U.S. inbound marketers spending more than \$25K per year save an average of 13% in overall cost per lead and more than \$14 dollars for every new customer acquired versus those relying on outbound strategies.

- 3. Traditional marketing is fading:** While traditional marketing models have not completely dried up, we found they are dramatically devalued by all marketers in 2013. Seventeen percent of marketers say both traditional advertising and direct mail have become less important in the past six months. Traditional advertising and PPC will deliver the least amount of leads for marketers this year, with just 6% originating from each of these categories.
- 4. We need to better define what inbound marketing is – and how to measure certain activities:** According to our survey results, the industry could benefit from clarification. Some marketers were unsure how to define “inbound marketing.” While the rapid growth we have witnessed to date is impressive - 60% of marketers have currently adopted inbound strategies – there is still room for education, as an additional 19% of marketers are unsure whether to characterize their marketing activities as “inbound.” As the industry matures, and more marketers become educated on the inbound methodology, we expect this confusion to abate.

Similarly, how we report and analyze inbound results has some room for improvement. Some marketers are clearly dedicated to tracking the “hard numbers,” with 15% tying their inbound results directly to revenue or customers/wins generated. Still, a surprising 34% of businesses cannot or do not calculate overall inbound ROI in 2013. Among executives, tracking the ROI in analytics becomes even more important, with 20% of these executives pointing to the need to develop analytics further.

- 5. As a holistic approach, inbound helps target a fragmented digital audience and make marketing more profitable:** Marketers who have embraced inbound recognize that success depends on shifting overall marketing’s focus – and weaving inbound’s content-rich, customer-focused strategy through your business practices. The inbound paradigm gets your company working together, rather than looking at a lead as a baton to hand off from one functional group to another.

Inbound marketers also address the fact that consumers’ behavior, which is often fragmented, distracted, and over-stimulated with alerts and content, necessitates tying things together. The web means you can’t lead someone down your funnel step by step. Your customer controls their own interaction with your online material – a prospect engages with you on their own timetable. One person may look at your site at 10 a.m. every morning, while another will visit only after an email has captured their attention. To be successful at inbound, you need to align your team to be ready and to measure it all together.

This clear alignment of inbound goals makes marketing more profitable. Our survey found the following:

- Companies that establish shared marketing and sales responsibilities see clear improvements in their lead acquisition costs, particularly among enterprise firms. Adopting a marketing-sales agreement saves companies with more than 200 employees an average of \$195.84 total cost per customer.
- Inbound concepts boost website conversions: Inbound marketers double the average site conversion rate of non-inbound marketers, from 6% to 12% total. Marketers see an average website conversion rate of 10% industry-wide.
- Testing inbound efforts drives major ROI improvements: Companies who test are 75% more likely to show ROI for inbound marketing than those who fail to test their strategies.

In 2013, marketers generally embrace the goal of integrating inbound strategies with larger marketing goals, with 81% of companies reporting some level of this integration. However, executives and sales teams still don't quite buy in to inbound marketing. When it comes to allocating resources to support inbound efforts, only 11% of company executives and 17% of sales teams lend their full support.

- 6. Inbound has shifted where marketers spend time, and automation helps them work smarter:** Some marketers considering inbound shy away from full-scale adoption due to the perception that inbound marketing is a lot of work. It's true that to succeed at inbound, you need to commit to the principles. But inbound's relative time commitment is not all that different from that of traditional methods – inbound just shifts where companies will spend their time. Inbound requires more up-front work, but it results in less time that a sales team will chase tepid, low converting leads. Companies with aggressive growth goals also don't have the time to call a list that converts at less than 2%.

According to the 2013 State of Inbound Marketing Survey, inbound produces resource-efficient leads. For instance, 43% of marketers generated a customer via their blog this year, though the blog requires roughly 9% of marketers' total full-time staff dedications and just 7% of their total budget. This means that marketers spend 55% more time than budget on blogging.

- 7. Inbound marketing is not a channel or a technology, it's a strategy:** It's not enough to "do" inbound. To see real results, you need to deeply commit to the model and optimize continually. Marketers that succeed with inbound marketing dedicate a high level of time, commitment, and resources to getting it right. Inbound marketing is not a quick-fix, nor will your company succeed at inbound by hiring an "inbound expert" and sitting them next to your email, trade show, and website staff member. Successful inbound execution requires a strategic change in how you focus your end-to-end marketing practices, such as building and staying true to your core customer personas and relentlessly tracking your lead gen goals.

This dedication produces dramatic results. Seventy-nine percent of companies who have a blog report a positive ROI for inbound marketing this year, compared with just 20% of those companies that do not have a blog. In fact, 82% of marketers who blog on a daily basis acquired a customer using their blog, as opposed to 57% of marketers who just blog monthly – still an impressive statistic!

- 8. It's a good time to be a customer:** Coupled with an inbound methodology is the emergence of the customer-centric company. In 2013, it's not just that "the customer is always right"; according to inbound marketing principles, the customer is the beginning and the end of the equation. Foretelling this shift, 50% of our 2013 survey respondents indicate that they consider their companies to be primarily customer-focused and nearly

25% of marketers cite reaching the right audience as their top priority for 2013. After all, great marketers have always started with an understanding of their consumers. Now more than ever, it starts and ends with that understanding.

9. **It's also a great time – if a potentially exhausting one – to be an inbound marketer:** In general, inbound marketers are working on very small teams. Fifty-one percent of all inbound teams contain fewer than six people. This small team environment is pervasive at every level of the industry; even at the enterprise level, 31% of marketing teams contain five or fewer full-time employees.

Marketers are keenly aware of this resource shortage, and they report the need to hire more inbound marketers to support growth. While marketing teams will begin 2013 with an average five or fewer people, most will at least double by the end of the year. Inbound marketers plan to hire an average of 9.3 people this year, which is 125% more growth than teams not executing inbound marketing. Enterprise companies expect the most growth, expressing plans to hire an average 18.6 full-time marketers this year.

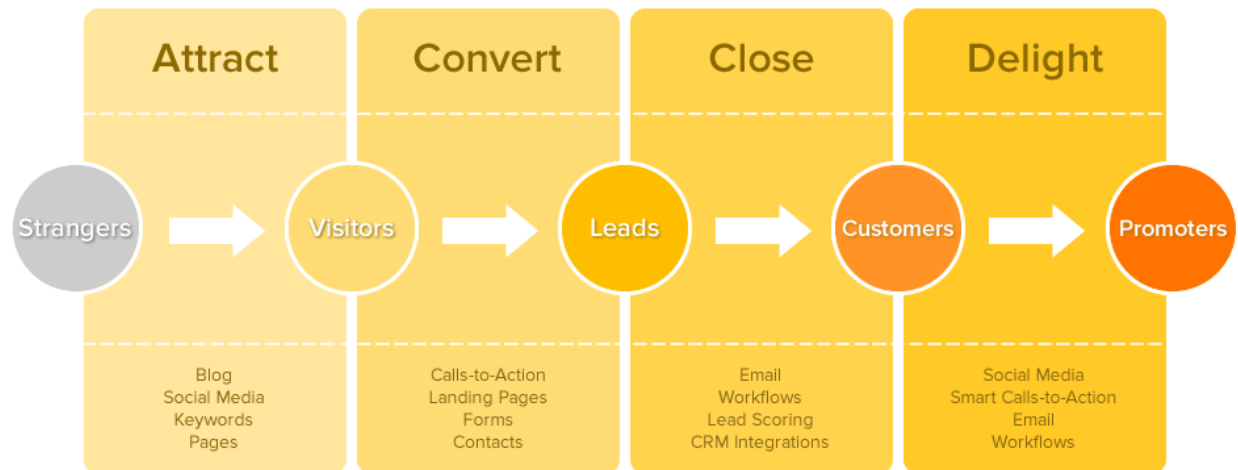
10. **Content is a critical, but not standalone, inbound marketing component:** Despite the wealth of recent articles heralding the rise of content produced for marketing, our research shows that only 18% of marketers are purely focused on developing quality content in 2013. Finding and converting quality leads and identifying the right audience rank more important in terms of marketers' overall priorities.

There is evidence supporting the fact that marketers are committed to developing content-rich strategies and understand the critical role that content plays – in fact, 10% dedicate at least one full-time team member to developing content, and 9% have either a full-time SEO expert or blog lead. But the data shows that “content marketing” is not quite the panacea some in the industry claim. Rather, content created and distributed by marketers must tie in context on customers, from how they interact with your channels to CRM information to personalized, dynamic targeting and beyond. This approach of “content plus context” helps inbound marketers truly delight consumers and generate more business.

What is inbound marketing?

Inbound marketing is a holistic, data-driven strategy that involves attracting and converting visitors into customers through personalized, relevant information and content -- not interruptive messages -- and following them through the sales experience with ongoing engagement.

Over the past five years, marketers have witnessed a tectonic shift in strategy, from campaign-based interruption marketing, to a consistently measured, closed-loop inbound marketing strategy -- one that pulls interested customers to your company and creates lasting relationships.



A Note on Channel Distinctions

There are digital marketing tactics that are specifically designed as “inbound marketing” and those that are not. While it’s easy to explain why direct mail and PPC banner ads are “outbound,” it is more complicated to define more flexible online strategies as purely inbound versus outbound. At HubSpot, we see the distinguishing factor as *how* people are using a specific channel more than the definition of the channel itself. In the simplest sense, it’s about consumer choice.

For example, depending on how it is deployed, the email channel often can be considered either inbound or outbound. One-off, campaign-based, tactical email sends are nearly always bucketed as outbound, because they aim to interrupt people’s inboxes. However, as a part of an opt-in, nurturing strategy, email is a terrific complement to other inbound techniques. Similarly, if you were to simply send out 200 tweets a day announcing a “new special,” you wouldn’t really be doing inbound marketing



CHAPTER 1 | **ARE YOU INBOUND?**

Executive Insights on Inbound Marketing

In this chapter, we explore which operational groups have bought into inbound marketing strategies, and which teams remain stumbling blocks on the path to full company-wide adoption of an inbound marketing philosophy.



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Chapter One: Are You Inbound? Executive Insights on Inbound Marketing's Industry Saturation

The first chapter of the 2013 State of Inbound Marketing Report focuses on inbound marketing's current market share. Our data from a broad range of marketers – both decision-makers and practitioners – reveals key insights regarding the current role inbound marketing plays in informing broader corporate strategy.

Additionally, we explore which operational groups have bought into inbound marketing strategies and which teams remain stumbling blocks on the path to company-wide adoption of an inbound marketing philosophy.

This chapter includes the following sections:

1. Is inbound mandatory? Marketing's adoption of inbound strategies
2. Is inbound marketing definitional? Strategy integration between and inbound and other marketing initiatives
3. Has the customer-centric company arrived? Business' 2013 priorities
4. Does inbound address the marketing-sales divide? Formalizing relationships between sales and marketing teams
5. What are marketers' top inbound marketing priorities? Marketers rate their 2013 goals
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Key discoveries

- **Inbound has achieved a majority market share:** The majority of marketers have embraced inbound strategies. In 2013, 60% of companies have adopted some element of the inbound methodology into their overall strategy.
- **Amid rapid growth, some marketers still struggle to define "inbound marketing":** According to our survey results, the industry still suffers from some educational gaps. While the rapid growth we have witnessed to date is impressive - 60% of marketers have

currently adopted inbound strategies – there is still room for growth, as an additional 19% of marketers are unsure whether to characterize their marketing activities as “inbound”. As the industry matures, and more marketers become educated on the inbound methodology, we expect this confusion to abate.

- **Adopting an inbound philosophy requires strategy integration:** Marketers who have embraced inbound recognize that success depends on shifting marketing’s overall focus and weaving inbound’s content-rich, customer-focused strategy through all your business practices.

In 2013, marketers generally embraced that goal, with 81% of companies reporting some level of integration between inbound marketing and larger marketing goals. In fact, only 5% were not integrated at all. Done correctly, we expect inbound strategies to help frame global marketing strategy. However, as we have seen, some marketers continue to see “inbound marketing” as a separate channel – akin to email marketing, advertising, or other campaign-based marketing strategies.

- **The customer-centric company is born:** Industry-wide, marketers are talking about the advent of a customer-focused business model. Putting the customer first means making the customers’ best interests the guiding force behind all your business decisions. While many companies say they do this, it is much harder to truly practice this tenet.

Inbound marketing is leading a shift away from the internal focus on sales, marketing, and product, toward strategic decision-making based on the wants and needs of the customer. Foretelling this shift, 50% of our 2013 survey respondents indicate that they consider their companies primarily customer-focused and nearly 25% of marketers cite reaching the right audience as their top priority for 2013. Despite this buzz, however, our research shows that the remaining half of marketers have yet to make this shift. Further, customer-centric companies lagged their marketing focused peers in overall performance.

- **Executives and sales functions not quite buying in to inbound marketing:** While most marketers say they do inbound, when it comes to allocating resources, only 17% of sales teams and 11% of company executives lend their full support to inbound marketing efforts. To ensure inbound marketing's long-term success, it needs to move beyond a marketing-focused tactic and gain larger support and endorsement company-wide.
- **Formalizing the marketing-sales handoff generates improvements to inbound ROI:** We asked marketers what kind of agreements they have established with their sales teams. Surprisingly, only 24% of companies formalized their marketing-sales handoffs. Companies that establish shared marketing and sales responsibilities see clear improvements in their lead acquisition costs. In fact, the average cost per lead for marketers with a formal sales agreement is \$24, versus \$49 for those without.
- **Still, proving inbound marketing's ROI remains a key challenge:** One-quarter of marketers report that their top challenge in 2013 is proving the ROI of their inbound marketing efforts. As we will see in the next chapter, the lack of reliable metrics for reporting ROI is a major obstacle for marketers.

What to do with these lessons:

1. **Become an inbound marketing student:** Inbound marketing isn't purely a marketing tactic; it's a philosophy. Educate yourself on end-to-end inbound marketing strategy until you deeply understand its goals and methodology, so that you can both promote it to critical internal teams and effectively execute every aspect of the inbound methodology.
2. **Transition your company's focus toward your customers:** The heart of inbound marketing requires turning the lens away from a rigid, product-based strategy and toward solving your customers' key challenges – and delighting them with insight and education along the way. To do that, you need to truly understand who those customers are and what they need. Adopt detailed personas to help your team members clearly visualize who they are serving, and then take serious measures to ensure you are using a persona-centric approach in all your business decisions. At HubSpot, we take our personas so seriously that we reorganized our office so our teams each sit by persona.

3. **Sell inbound marketing throughout your company – especially to sales, IT, and execs:**

To ensure the long-term success of inbound marketing in your company, it's important to pitch the business case for inbound to key internal stakeholders – particularly your IT, sales, and executive teams. Communicate your goals and timelines and learn to socialize your inbound successes. This communication will support cross-functional teamwork and emphasize inbound's benefits for your company. Know what numbers specifically matter to your business' bottom line, then track and report on the key inbound marketing metrics that support these goals.

4. **Define mutual goals and responsibilities for marketing-sales alignment:** There is a long history of pain and misalignment between sales and marketing teams – but they are not doomed to that fate. Develop a productive relationship between your marketing and sales teams by establishing concrete metrics and mutual responsibilities for both groups.

To work in a real-world business setting, this relationship needs to be both concrete and immediate, and it must hold both marketing and sales accountable for results. It can't just be an abstract 30-day plan that neither team truly gets around to following. For example, create a service-level agreement (SLA). An SLA gives both teams a measure for success by defining expectations. It gives marketing hard numbers on how many quality leads to generate each month and sales a plan for how to follow up with those leads.



Integrating inbound marketing into the overall marketing mix is more important than ever. Content used to form the backbone of inbound efforts must be supported with other paid, earned, and owned tactics to reach maximum effectiveness, and that requires plenty of internal cooperation and strategic planning.

-Jay Baer

Author, Youtility: Why Smart Marketing is About Help not Hype,
<http://jaybaer.com>



1. Is inbound mandatory? Marketing's adoption of inbound strategies

Inbound marketing has been heralded as the next must-do marketing activity. In Chapter Two, we will cover the business case for implementing inbound, which will explain much of its surging popularity. Before going through the process of proving inbound's financials, we first wanted to explore how well marketers understand the key facets of inbound marketing, and how well inbound strategies are currently folded into larger business planning.

This is the first year that we've explicitly asked about inbound marketing saturation in our State of Inbound Marketing Report. We found that nearly 60% of marketers implement some kind of inbound strategy today. This is impressive given inbound's relatively short lifespan thus far.

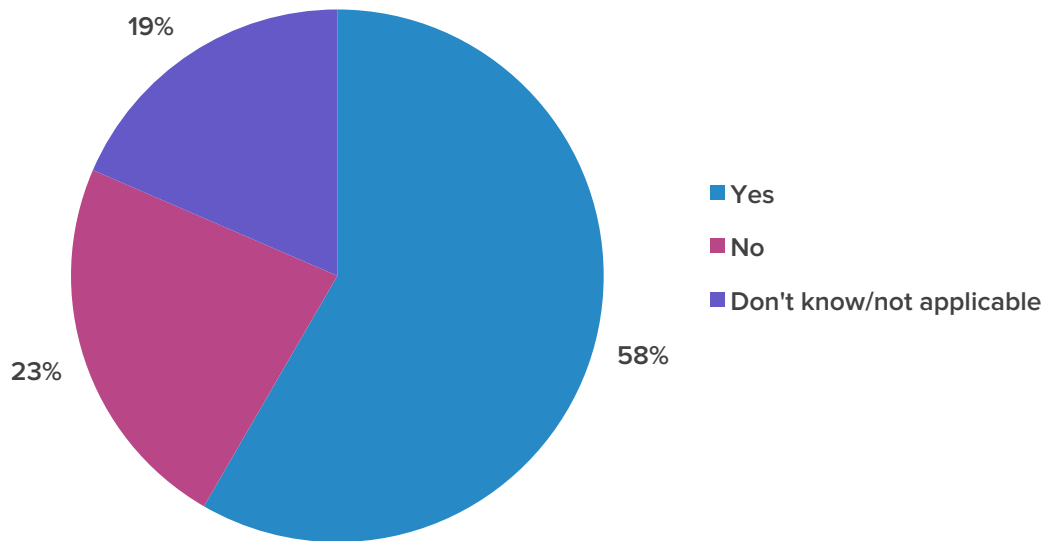
This question uncovered a surprising piece of evidence: of the companies responding to the survey, 19% did not know if they used inbound techniques or not. To the industry, this means we need to clarify what constitutes inbound marketing, as nearly one out of five marketers remains confused on how to classify their marketing activities. (For more information on how to define "inbound marketing," see the Introduction section of this report.)

For the long-term success of the inbound marketing industry, people need to "get it" – and not just try inbound without being able to define it or understand the business case.

Q: Does your company do inbound marketing?

Inbound Adoption Reaches Majority, but Educational Opportunities Remain

Nearly 60% of marketers have adopted inbound strategies, while 19% unsure how to categorize their efforts



Digging further into the survey data, we find that marketing agencies lead the pack in terms of inbound marketing adoption, with 73% implementing inbound strategies. B2B companies are also early to embrace inbound with 65% reporting inbound practices this year.

Lagging inbound marketing adaptors include consumer-focused firms; just 46% of B2C companies report conducting inbound marketing. While the PPC legacy may make it difficult for B2B companies to embrace inbound marketing's concept of a lead, adopting an inbound methodology is a clear competitive advantage for those companies that capitalize early on a pull-marketing approach.

Similarly, it is somewhat surprising that nonprofit agencies fall behind in inbound implementation because inbound is an ideal fit for the nonprofit business model. Building a following or donation base among cause enthusiasts and supporters requires similar dedication to enchanting an

audience by delivering top quality content; however, only 41% of nonprofits report adopting inbound tactics for 2013.

Our reported inbound adoption rate is also strong in light of the fact that only 9% of respondents indicate they use HubSpot software, which gives us a much more accurate assessment of overall industry inbound adoption – rather than reporting just on the subset of marketers who use HubSpot for inbound.

2. Is inbound marketing definitional? Strategy integration between inbound and other marketing initiatives

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Inbound Marketing is no longer a convenient add-on or experimental area for companies. It is a required method of doing business in today's more consumer-focused world. Businesses that are embracing this consumer-focus are, ironically, finding it to be incredibly beneficial to their respective bottom lines. Inbound is often more cost efficient than old-school, outbound marketing. Inbound is often better at building long-term customers rather than short-term sales.

Inbound is often better at brand-building as well. Understanding how and why companies are using inbound vs. outbound marketing is critical to building these more effective approaches for your own business.

- Jason Falls,

VP of Digital Strategy, CafePress Inc.
Founder, <http://SocialMediaExplorer.com>

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To effect change in an organization, inbound needs to be more than just a series of marketing campaigns aimed at “pulling” people toward your company website. True inbound marketing success occurs when your company adopts an inbound marketing philosophy and weaves the strategy of delivering quality content and delighting customers throughout every facet of the business.

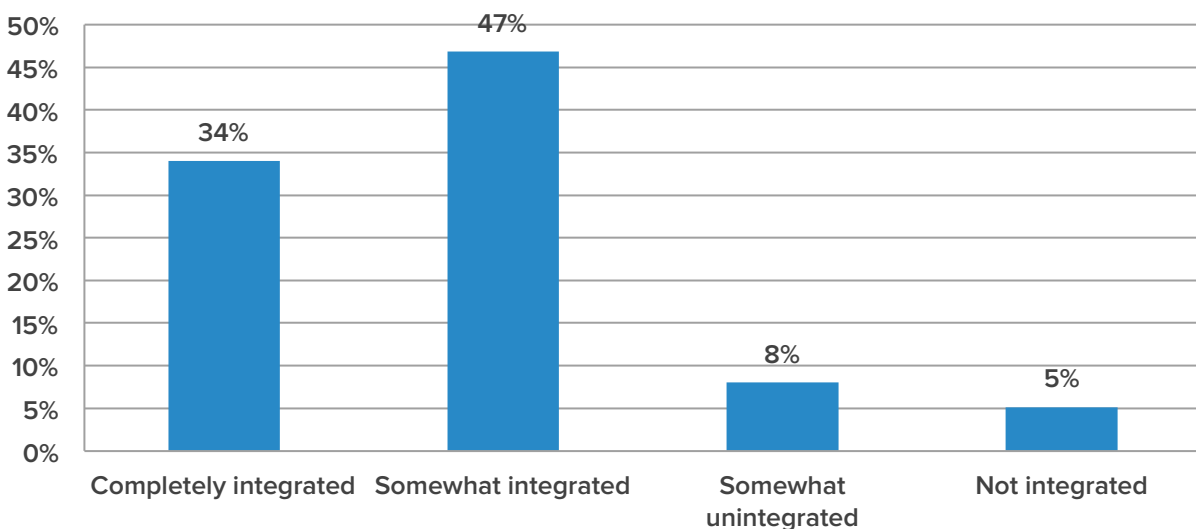
How do marketers make inbound a framing methodology? It requires assimilating inbound campaigns with the larger marketing strategy to ensure all your marketing efforts are pulling in the right direction.

To find out what strides marketers have made with full-scale inbound adoption, we asked how they integrate their inbound strategies with their other marketing efforts, including traditional marketing and campaign-based email sends.

Q: How integrated is your company's inbound strategy with your larger marketing strategy?

Majority of Marketers Integrate Inbound with Corporate Strategy

81% of inbound strategy is at least somewhat integrated with broader goals



The good news? Eighty-one percent of companies report that inbound marketing is at least somewhat integrated into their larger marketing strategies, and only 5% were not integrated at all. Done correctly, we expect inbound strategies to help frame global marketing strategy. However, as we have seen, some marketers continue to see inbound marketing as a separate channel – akin to campaign-based email marketing, advertising, or other campaign-based marketing strategies.

For example, an integrated marketing team would use inbound marketing philosophy to frame all its marketing efforts. At heart, this means developing a unified marketing front aligned around serving and delighting customers, using personas to develop thought leadership content, and then promoting it through your various channels working together – from social media outreach, to automated email nurturing campaigns, and even occasional PPC campaigns used to promote specific campaigns.

These reported integration rates bode well for the long-term success of inbound marketing practices. Making sure that every element of your marketing serves your inbound goals is vital to inbound's ultimate success in your company.

However, while most companies are integrating their inbound tactics with other marketing efforts, companies are 38% more likely to be somewhat integrated than completely integrated, showing that we still have some work before companies become complete inbound organizations.

Predictably, CEOs lead the charge for developing more cohesive marketing strategies. Forty-eight percent of CEOs say inbound is completely integrated in their organization, as opposed to just 34% of the average. The results are expected, given it's the C-suite's job to set strategic vision for the company. Once CEOs or CMOs buy into inbound marketing's impressive results, they would understandably push them throughout their organizations.

Similarly, marketing agencies are much more integrated than their peers, with 49% completely integrated and 86% at least somewhat integrated. B2B companies are also much more likely to be completely integrated – at a rate of 38% completely integrated versus just 27% reported by their B2C counterparts.

While the relative sophistication of enterprise companies' marketing efforts would suggest their inbound efforts would be more integrated than the general population, we found the opposite. Just 21% of enterprise companies completely assimilate inbound marketing with larger strategy. This data suggests that, while large companies have more resources to allocate to marketing efforts, more moving parts makes it more difficult to ensure all marketing teams move in the same direction. While it is encouraging that enterprise companies are increasingly adopting inbound marketing techniques, they will not realize full potential until inbound's efforts are threaded through – and their successes tied into – larger marketing goals.

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"Inbound Marketing is global(!). I find it fascinating that what was once a controversial idea evangelized by a handful of us way back in 2007 has spread to smart marketers everywhere who want to grow their business now. In the past few years as I delivered my keynotes around the world, I've met Inbound Marketers ... in places like Egypt, Bulgaria, India, the UK, Poland, Panama, and Bahrain. Heck, if a small eco-resort in Western Belize called the Lodge at Chaa Creek can secure top search engine results and grow their business quickly through Inbound Marketing, there's no longer any excuses for Inbound Marketing adoption for you or your business. But no matter where I am and no matter who I am speaking with, the biggest barrier is the four letter word that begins with 'F' -- FEAR. Don't let your fear of something new hold you back."

- David Meerman Scott,

HubSpot Marketer in Residence and author of 8 books including "The New Rules of Marketing and PR", now in over 25 languages from Bulgarian to Vietnamese

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3. Has the customer-centric company arrived? Business's 2013 priorities

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“You have to know the people you want to reach in order to make content that they will love. This isn't just about profiles of who they are, but you have to know in your soul exactly the type of people they are. Then you'll create content that isn't all about pitching or landing the sale. It will share more about your company or solve a problem that they have. They'll begin to connect with you and then all the other great content you have that does include the hard sell will come into play and help convert them into a customer. Start with the soul and end with the sale. Not the other way around.

- C.C. Chapman,

Founder of The Cleon Foundation and author of Amazing Things Will Happen
<http://www.cleonfoundation.com> and
<http://www.amazingthingswillhappen.com>

”

“Customer-centric company” is a catchphrase increasingly used in inbound marketing circles. What does it mean to be customer-focused? Putting the customer first means making the customers' best interests the guiding force behind all your business decisions. While many companies say they do this, it is much harder to truly practice this tenet.

For example, customer-centric marketing directly works to meet and serve the needs of its customer base by offering them thought leadership content and educational material, rather than

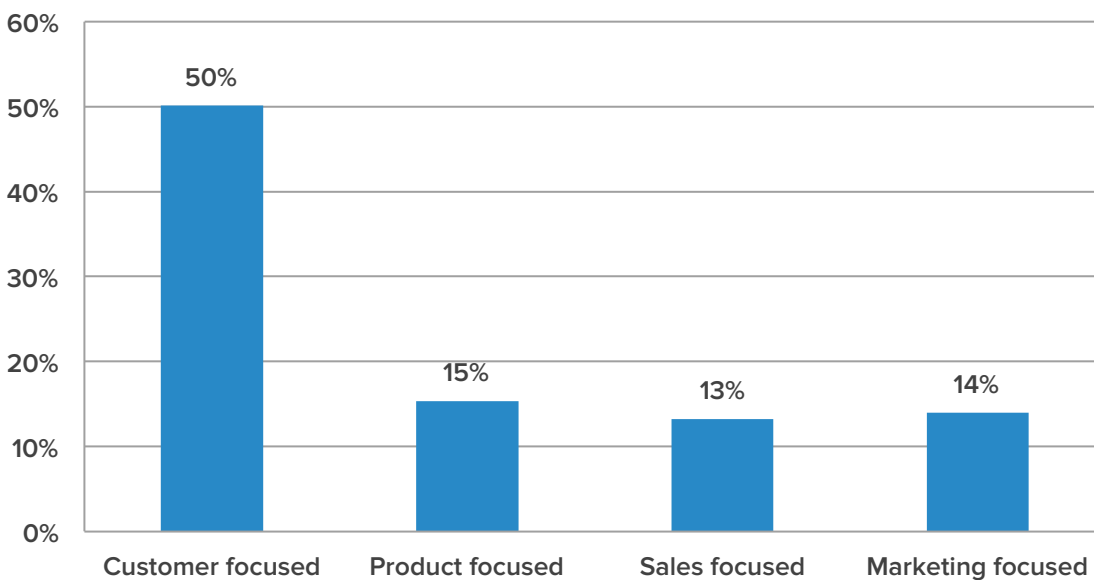
content that “pitches” your wares. It means taking the “I” out of your marketing collateral - and focusing your efforts on the customers’ pain points.

To discover how many businesses have adopted a customer-centric approach, we asked marketers whether they consider their company to be primarily customer-, marketing-, product-, or sales-focused. As you can see in the adjacent chart, more than half of marketers consider themselves to be primarily customer-focused. Product-focused companies came in second at a distant 15% of the population, with sales- and marketing-focused companies rounding out the bottom of the pile, each at 13%.

Q: Do you consider your company to be primarily (customer focused, marketing focused, product focused or sales focused)?

Customer-Focused Companies Dominate

Half of marketers report their companies are primarily focused on customers



While data reflects the accurate focus on customers, it also means that nearly half of all respondents are operating on a business model that doesn't focus on their customers – which is less than ideal.

Diving deeper into the data also shows a slight anomaly to this trend.

Looking at firms executing inbound marketing strategies, response rates actually skew toward marketing-focused companies, rather than customer-centric teams. Nearly 70% of marketing-focused firms implemented inbound marketing strategies, as opposed to 60% of customer-focused companies. This 10% difference begs the question of whether inbound marketers truly understand that, at its core, inbound is a strategy that puts the customer first.

Similarly, when looking at inbound marketing results, 49% of marketing-focused companies netted ROI from inbound marketing, as opposed to 42% of customer-focused companies and just 38% of sales-focused companies.

Looking at our segmented data, 45% of marketing agencies indicated they were customer-focused, though 39% of agencies also noted they were more marketing-focused than most other industries.

B2C companies displayed more of a customer focus at 59% -- versus 47% of B2B companies -- but nearly 18% of business-to-consumer companies consider themselves marketing-focused.

4. Does inbound address the marketing-sales divide? Formalizing relationships between sales and marketing teams

Many marketers consider the divide between marketing and sales teams a major challenge in their lead generation efforts. Sales and marketing teams use different languages, are judged on different metrics and timelines, and consequently, often suffer from a lack of transparency. This divide can result in finger-pointing and equating marketing to a cost center, not a trusted partner delivering bottom-line results.

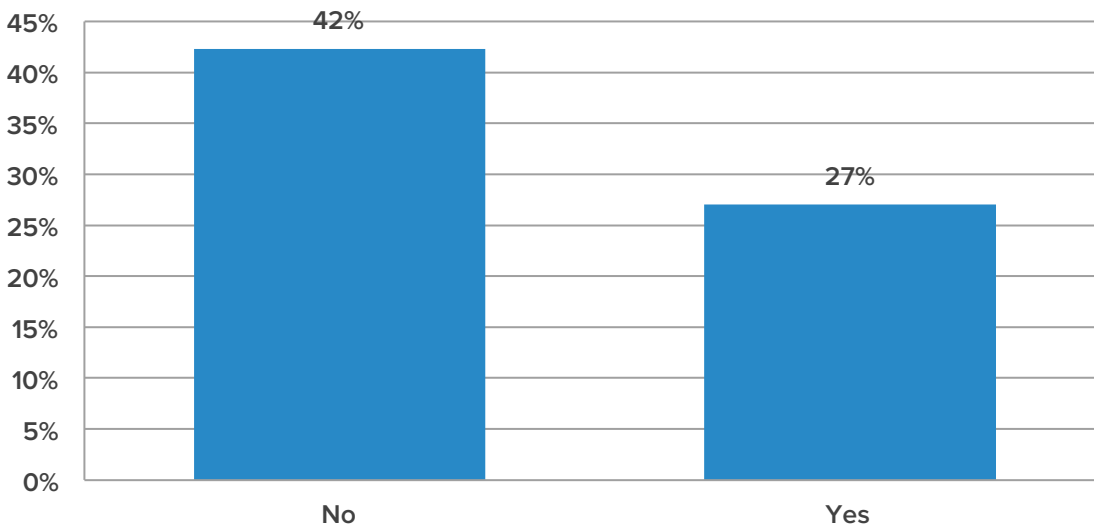
The wealth of tracking and analytics central to inbound marketing efforts can significantly bridge this gap. Successful inbound marketing can follow customers through their entire lifecycle, from their first site visit, to the point they become a lead, through the sales handoff, until the final sale. Armed with actual data on lead generation, marketing teams can justify which leads they produced. From there, marketing and sales teams can hammer out clear lead goals that identify what leads marketing must deliver each month and define how sales will follow up with those leads, using tools such as SLAs. Concrete expectations and hard numbers for both teams create alignment between sales and marketing.

We wanted to see how effectively marketers are addressing this challenge, so we asked them if they have a formal agreement between their sales and marketing teams to determine each team's responsibilities.

Q: Does your company have a formal agreement between sales and marketing teams to determine both teams' responsibilities?

Despite Inroads, Marketers Continue to Report a Marketing-Sales Divide

Less than one-third of firms have formalized marketing-sales agreements



A number of factors can complicate creating a formal marketing-sales relationship, but it's surprising that only 24% of marketers report any concrete agreements between these teams in respect to defining lead responsibilities.

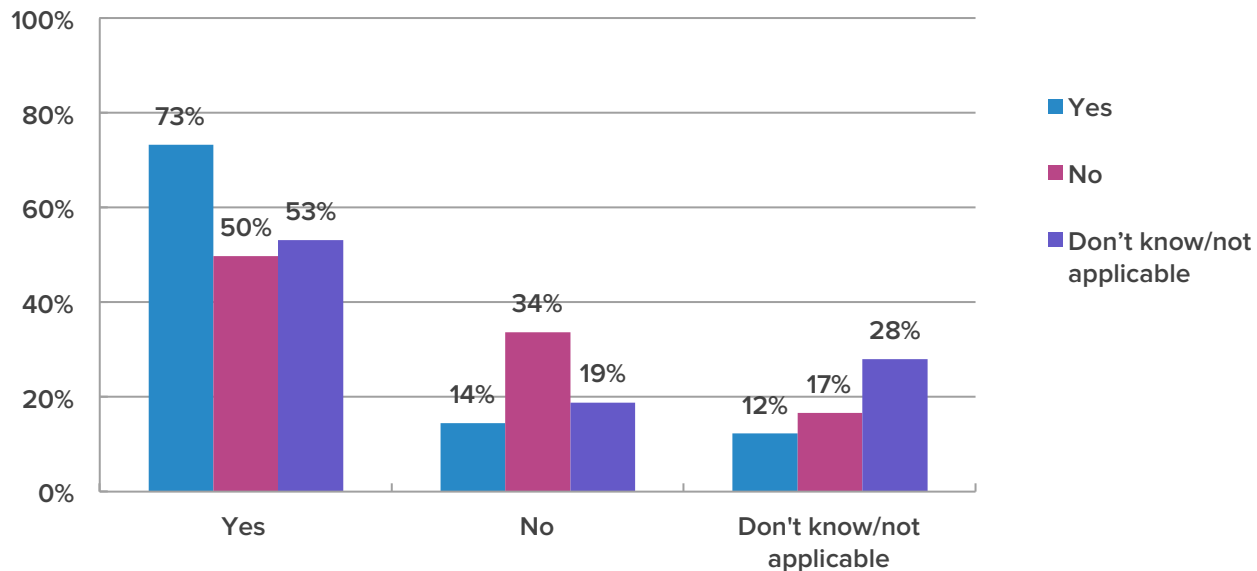
This is a major challenge for the long-term health of the inbound industry. Without connecting marketers' lead generation and sales efforts, marketing cannot prove its bottom-line contribution.

As we would expect, companies that have adopted inbound marketing (shown in the chart below) are also more likely to strategically align their sales and marketing teams.

Q: Does your company have a formal agreement between sales and marketing teams to determine both teams' responsibilities?/Do you do inbound marketing?

Inbound Marketing Firms More Likely to Solidify Marketing-Sales Relationships

Nearly 75% of companies with a formal marketing-sales agreement implemented inbound in 2013



According to our research, 73% of the companies that reported a formal marketing-sales agreement engaged in inbound marketing this year, while only 14% of firms with formal marketing-sales goals reported no inbound activity for 2013. Among companies without defined lead handoffs, this number drops to 50% executing inbound strategies. While not causal, there is a clear link between adopting inbound marketing and improving communications with your sales team.

At the Enterprise Level, Formal Marketing-Sales Agreements Drastically Boost Bottom-Line Results

Given that firms with large sales teams would have the greatest need for strong marketing-sales relationships, we also looked specifically at companies with more than 200 employees and, consequently, a larger and more diverse sales team.

Thirty-seven percent of enterprise companies have formal agreements with their sales teams. However, 37% of enterprise marketers have yet to establish formal contracts with their sales teams and 26% of companies are unsure whether or not they have an agreement or not.

It's a bit troubling that more than a quarter of enterprise-level companies do not know if they have a formal agreement with their sales teams – meaning that even if they have one, more than 63% of firms are not rigorously supporting enterprise-level relationships with sales, which is a very surprising number if you consider the dollar values for most of these deals.

Defining the Marketing-Sales Handoff Lowers Enterprise Customer Acquisition

Average CPL Reduced by \$197 for Enterprise Companies with Formal Marketing-Sales Agreements

Average Cost per Customer for US Companies with 200+ employees



Detailed in the table above, enterprise companies that have formalized marketing-sales handoffs also show dramatic reductions in lead generation costs – a compelling argument for large firms considering an SLA or other formal marketing-sales agreements. In fact, adopting a marketing-sales agreement saves companies an average of \$195.84 in total cost per customer, sitting at an average of \$290.

From an industry standpoint, technology firms – where the term “SLA” originated – have a 40% adoption rate for formalized marketing-sales agreements, which is 48% better than the overall rate. B2B companies are 8% more likely to delineate marketing-sales obligations than B2Companies.

The survey revealed that a surprising 47% of our CEO/CMO audience ignores formal marketing-sales agreement development. With their bottom-line focus and the distinct benefits delivered by a marketing-sales alignment, we would expect this number to be higher. Analytics and better reporting, both of which are facilitated by inbound marketing tracking, will go a long way to proving marketing's contributions and help the C-suite embrace formal delineations between sales and marketing.

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The challenge with inbound marketing is that it can be done in a silo. Because of this, large and small brands cannot take full advantage of building marketing programs that can truly change customer behavior. For brands to transition into media companies, they must work together across the organization and enable employees, partners and customers to feed the content engine day and day out. The convergence of media - paid, earned and owned - is also a necessary integration in order to reach customers in the right channels at the right time. This requires marketing teams to integrate not just with content distribution/integration but also with planning and measurement.

- Michael Brito,

SVP, Social Business Strategy, Edelman <http://www.britopian.com>

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5. What are marketers' top inbound priorities? Marketers rate their 2013 goals

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[I] love inbound marketing - this year we are definitely focusing more on that than traditional marketing. We are looking at setting up workflows and getting all of our systems integrated and talking to each other for better measurement of ROI.

- Marketer insight,

2013 State of Inbound Marketing Survey

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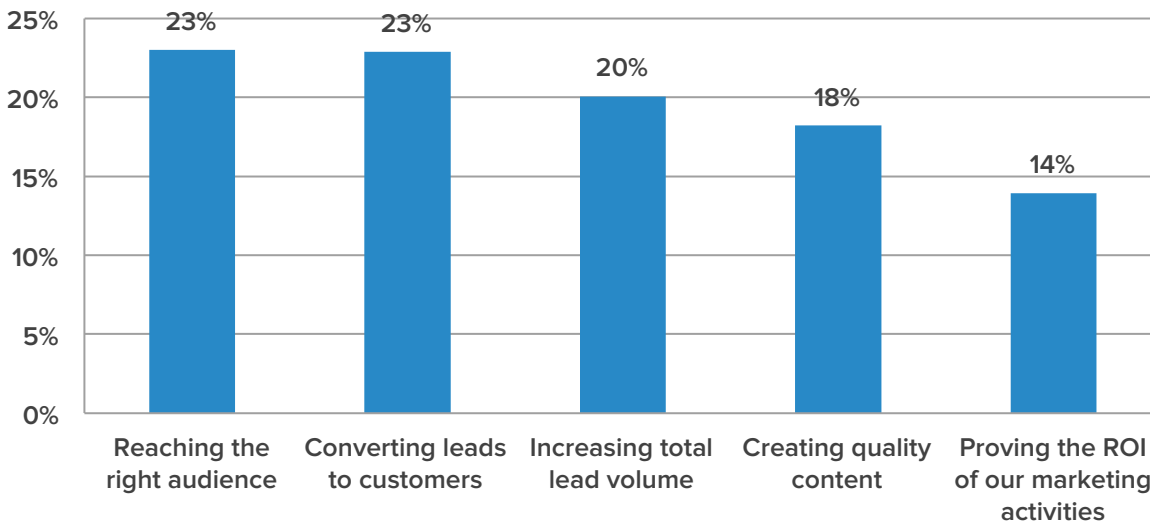
A major key to understanding the state of inbound marketing in 2013 is learning what marketers are trying to achieve. We asked both marketing executives and practitioners to note their top priorities for the year.

As the chart below illustrates, 23% of marketers say their top priority is reaching the right audience, tied with converting leads into customers. Rounding out priorities this year includes 20% of marketers looking to increase total lead volume, 18% citing creating quality content, and 13% looking to prove ROI.

Q: What are your company's top marketing PRIORITIES?

Prospect Targeting, Lead Conversion Cited as Top Inbound Goals

23% of marketers focused on both reaching the right audience and converting leads



With two of the top three priorities – combining for 43% of respondents – centered on lead generation, it's clear that sourcing and converting leads is a dominant focus for 2013. Reaching the right audience is similarly important to most marketers, with just under one-quarter of marketers citing this as their top priority. If, as we expect, the inbound universe continues to adopt a more customer-centric philosophy, this number should also rise.

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“Marketing gets easier – and more effective – when you realize it's just communication. It's everything you say to customers, and it's also everything you do. Focus on what your words and actions are communicating – your content, your site, your support team – and you'll find that your relationships with your customers start to ‘magically’ get better. And that's when you see the loyalty, social sharing, and referral business that create vibrant health for your business.”

- Brian Clark,
founder and CEO of Copyblogger

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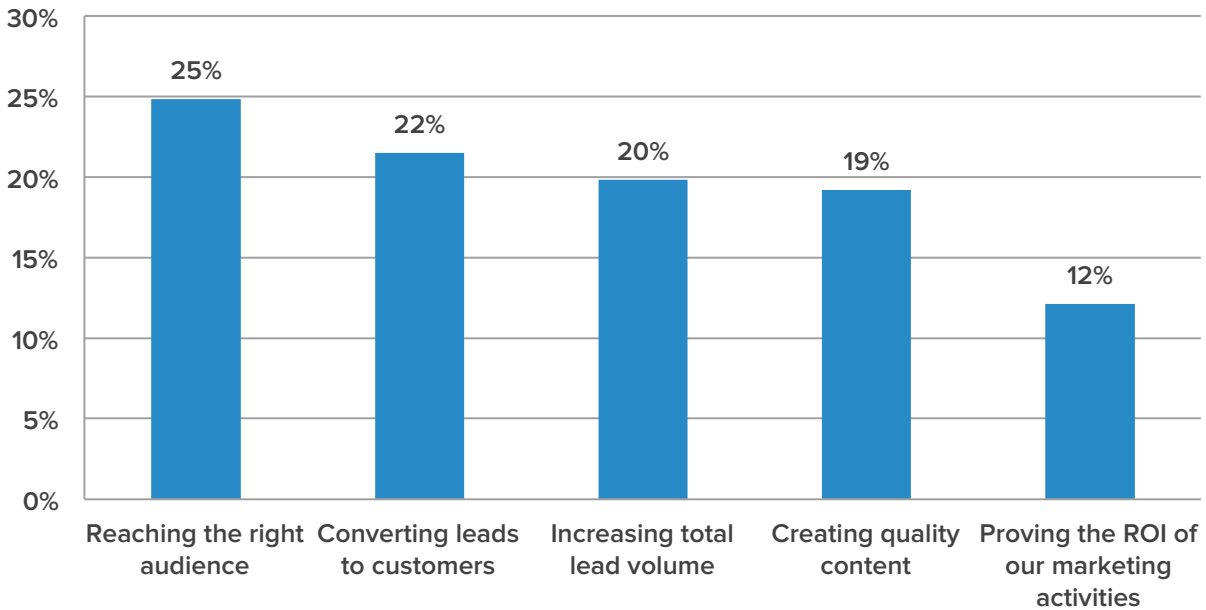
Despite the wealth of recent articles discussing the rise of content marketing, only 18% of marketers are purely focused on developing quality content in 2013. However, because high-quality, educational content is the lynchpin for inbound success, we would expect this number to rise over the coming years.

This report on marketers' priorities highlights a distinct lack of urgency behind ROI-driven concerns – which is a theme we will see repeated throughout the rest of this report. In fact, only 14% of marketers rate proving ROI as their top goal. In contrast, in the next section, we will discuss how tracking concrete ROI is a major challenge for 25% of all marketers. Similarly, in Chapter Two, we will discuss at length the 34% of marketers who fail to measure the ROI of their inbound activities. For the long-term survival of the inbound model, marketers will need to better understand how to justify their inbound time and budget allocations.

Q: What are your company's top marketing PRIORITIES?

Reaching Target Market Top Priority Among CEOs

Main goal of nearly 25% of CEOs is finding the right audience



B2C companies are slightly more concerned with reaching the right customers than are B2B companies, with 27% and 21% of CEOs noting this priority, respectively. This data makes sense in light of consumer-facing marketers' keen customer emphasis, as B2C companies were 20% more likely to be customer-focused than their B2B counterparts.

Reaching the right audience is a primary concern internationally. More than 23% of international respondents report this metric to be the top priority, followed by converting leads to customers and increasing lead volume, with 22% and 21% of the responses, respectively.

6. What are the top inbound marketing challenges? Marketers rate their 2013 concerns

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The fact that only 18% are focused on creating quality content doesn't surprise me (perhaps that they admit it does) - the fact is creating quality content is hard work and it takes a commitment on the part of marketing leadership to pour the time, energy and journalistic resources into it. But, like all things, when you see the payoff you make it a priority. I find that if I can get organizations excited about content through analytics and SEO results that get pretty committed to blogging.

- John Jantsch,

Duct Tape Marketing, <http://ducttapemarketing.com/>

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We wanted to learn more about the major hurdles marketing faces when implementing inbound in their organizations. To do that, we asked more than 3,300 marketers about their key concerns and barriers to inbound marketing.

As you can see in the chart below, most inbound marketing challenges focus on our wallets. Proving inbound marketing's ROI is the highest rated challenge, netting one-quarter of all responses. This laser-focus on ROI is particularly interesting in light of our top priorities research, in which we found that marketers report tracking ROI is more of a second-tier initiative in 2013.

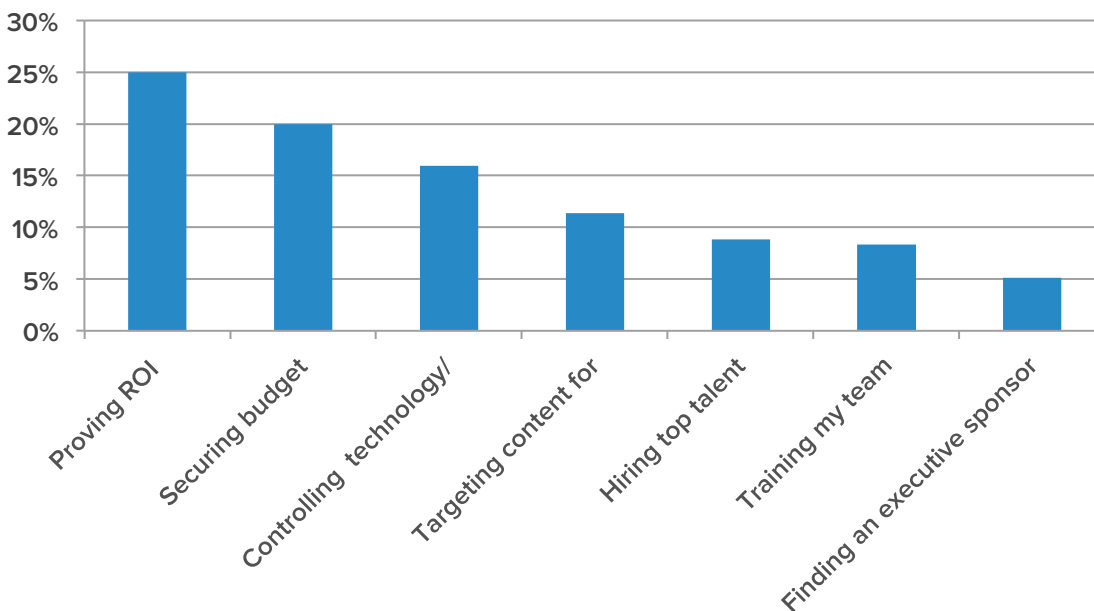
Trying to secure adequate budget for inbound marketing was a close second place at 20%. Other key challenges included 16% of marketers naming controlling their technology or website as the

top concern; 11% looking to target content for an international audience; 9% hiring top talent; 8% training their teams; and finally, 5% that were most concerned with finding C-suite support.

Q: What are your company's top marketing CHALLENGES?

Proving ROI Tops Challenges Faced by Inbound Marketers

25% of marketers concerned with proving bottom-line results



Marketers also continue to express a skills gap with their technology counterparts. Overall, 16% of marketers indicate that controlling their inbound technology is the most significant challenge they face in 2013. Many marketers struggle to work with their technology resources to get a better handle on their inbound initiatives. B2C companies spend slightly more time than average fighting with technology – 19% versus the 15% average – likely because their website conversion paths are slightly more complicated. As the industry develops more intuitive, do-it-yourself inbound tools, marketers should need to rely less on IT teams to enable their inbound marketing goals.

Interestingly, finding an executive sponsor is only seen as the top challenge by 5% of our audience. This could mean one of two things: first, many executives are interested in learning more about inbound marketing, or second, marketers simply aren't at an inbound maturity level to push for executive sponsorship.

While only 10% of companies cite hiring top talent as their primary concern, we expect this number to rise over the next several years. As we prove the business case for inbound and its implementation grows, more and more companies will be looking for top inbound talent – which may be lacking industry-wide. We will fully explore inbound marketing staffing in Chapter Four of this report.

Proving ROI Is a Paramount Concern in 2013

As we will see in the next chapter, the lack of reliable metrics for reporting ROI is a major challenge for marketers. So, the 25% of marketers predominantly concerned with proving the ROI of inbound marketing highlights a major issue for inbound's long-term sustainability. Without reliable ROI metrics or a C-suite that is completely sold on the inbound methodology, it is difficult to imagine inbound marketing will continue to grow at the rapid pace it has enjoyed to date.

Related to this issue, Chapter Two will review inbound budgets, which have enjoyed meteoric increases in the span of the last five years. This trend is unlikely to continue unless marketers can succeed in figuring out how to prove the value of their inbound marketing expenditures. As marketers establish year-over-year data and get better at tracking their analytics, they should get more fluent in proving the ROI of their inbound efforts.

Marketing agencies work comparatively harder to prove the ROI of inbound marketing, with 30% citing this as their top challenge – 15% more than the industry at large. They are also more concerned with hiring top talent – at 13%, compared with an industry-wide average of 9%.

B2B companies struggle to prove the ROI of inbound marketing much more than other companies, with 27% reporting this struggle versus the 21% average. Conversely, as we noted earlier in this chapter, B2C companies spend slightly more time fighting with technology – 19% versus the 15% average – likely because their website conversion paths are slightly more complicated.

Proving ROI is also a challenge for our international audience, though at 23% it tracks fairly closely with the larger marketing universe. Targeting content for an international audience sees a slight uptick as a challenge on the international stage – with 14% as opposed to the 11% of total industry averages. As it would be surprising to imagine that all international companies have effectively solved their international targeting questions, we can probably assume that most marketers are thinking on a global scale.

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The biggest challenge is to convince the board to shift from traditional advertising to digital and online marketing.

- Marketer insight,

2013 State of Inbound Marketing Survey

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7. Who are inbound marketing's fans? Tracking corporate support for inbound activities

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The challenge with inbound marketing is that it can be done in a silo. And because of this, large and small brands cannot take full advantage of building marketing programs that can truly change customer behavior. For brands to transition into media companies, they must work together across the organization and enable employees, partners and customers to feed the content engine day and day out. The convergence of media - paid, earned and owned is a also necessary integration to in order to reach customers in the right channels at the right time. This requires marketing teams to integrate not just with content distribution/integration but also with planning and measurement.

-Michael Brito,

SVP, Social Business Strategy, Edelman
<http://www.britopian.com>

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To be truly successful, inbound marketing cannot be a stand-alone strategy, it must be integrated into the fiber of overall marketing strategy, and larger business goals, including sales targets and revenue forecasting. At HubSpot, we call this company-wide integration “smarketing” – which

coalesces the goals of sales and marketing teams into one cohesive unit, rather than two functional groups with different and often competing objectives and measurement.

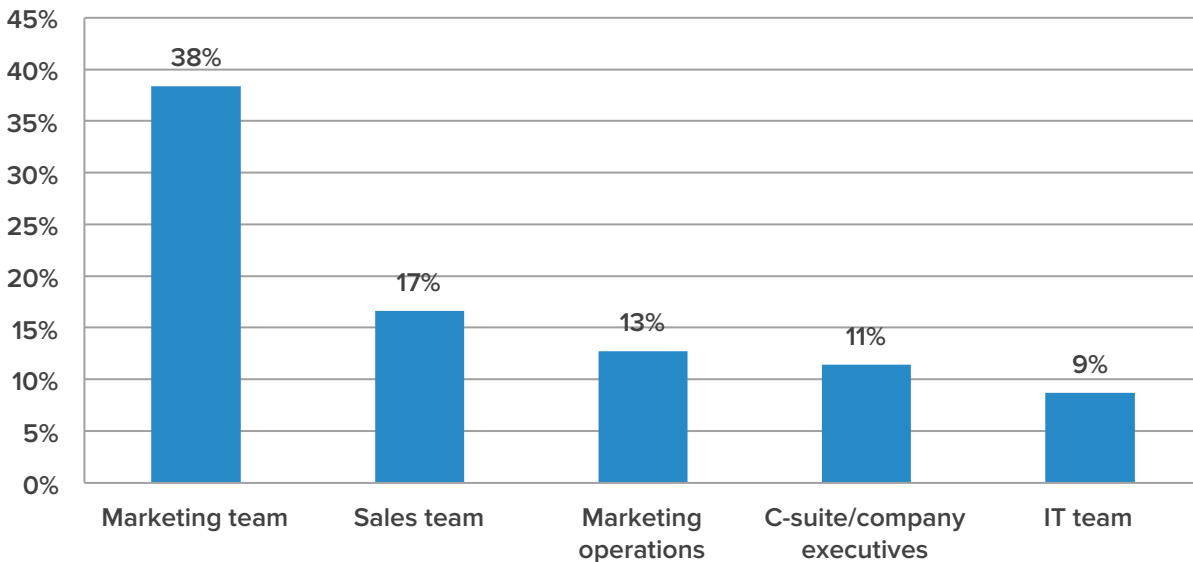
Across the industry, we wanted to learn how effectively inbound has secured cross functional buy in, so we asked marketers which teams or operational groups provided the most support for inbound efforts.

As you can see in the chart below, while 38% of marketing teams provide significant support to inbound strategies, only 17% of sales and 11% of company executives throw their weight behind inbound.

Q: Which teams/operational groups provide the MOST support (in terms of budget, personnel, or sponsorship) to your company's inbound marketing efforts?

Marketing Teams Deliver Majority of Inbound Marketing Support

Marketing is 125% more likely than sales to provide inbound resources



According to this data, inbound is still mostly a marketing-centric initiative, and it has not yet been embraced in broader business planning.

Teasing the numbers by segment, we see further evidence of this inbound silo. Just 18% of CEOs report they believe the C-suite provides significant support for inbound marketing initiatives, though they are slightly more likely to report sales' support for inbound marketing.

Company executives at enterprise firms are also much less likely to put their weight behind inbound marketing efforts, with just 9% of C-level teams at companies with 200+ employees supporting inbound campaigns.

Conversely, marketing teams at enterprise firms are 38% more likely to provide operational resources for inbound marketing efforts, with 43% of large marketing teams supplying budget, personnel, or other sponsorship resources.

Overall, marketers reported a somewhat disappointing level of resources supporting inbound marketing efforts. Clearly, in order to achieve widespread adoption for inbound techniques, marketers need to focus more on positioning inbound as a company-wide initiative, not one relegated to the marketing water cooler.

In particular, efforts to generate more executive support for inbound marketing – by clearly defining the process and explaining the bottom-line benefits – will be necessary for inbound marketing to become a universal marketing technique.

“

Inbound marketing flat-out works. The trick is to convince the ignorant that they're missing out. Smarketing is tough!

- Marketer insight,

2013 State of Inbound Marketing Survey

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8. Who is blocking inbound? Internal barriers to inbound activities

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We are a smaller company with great ideas and visions [but] without the staff or budget to accommodate our goals. We know what we need to be doing (social media, blogging, webinars, case studies, white papers, etc.) but we don't have a way of accomplishing this now in a tough economy.

- Marketer insight,

2013 State of Inbound Marketing Survey

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As the adage goes, a team is only as strong as its weakest component. We wanted to look at the internal barriers toward company-wide integration to figure out which functional groups might inhibit inbound adoption.

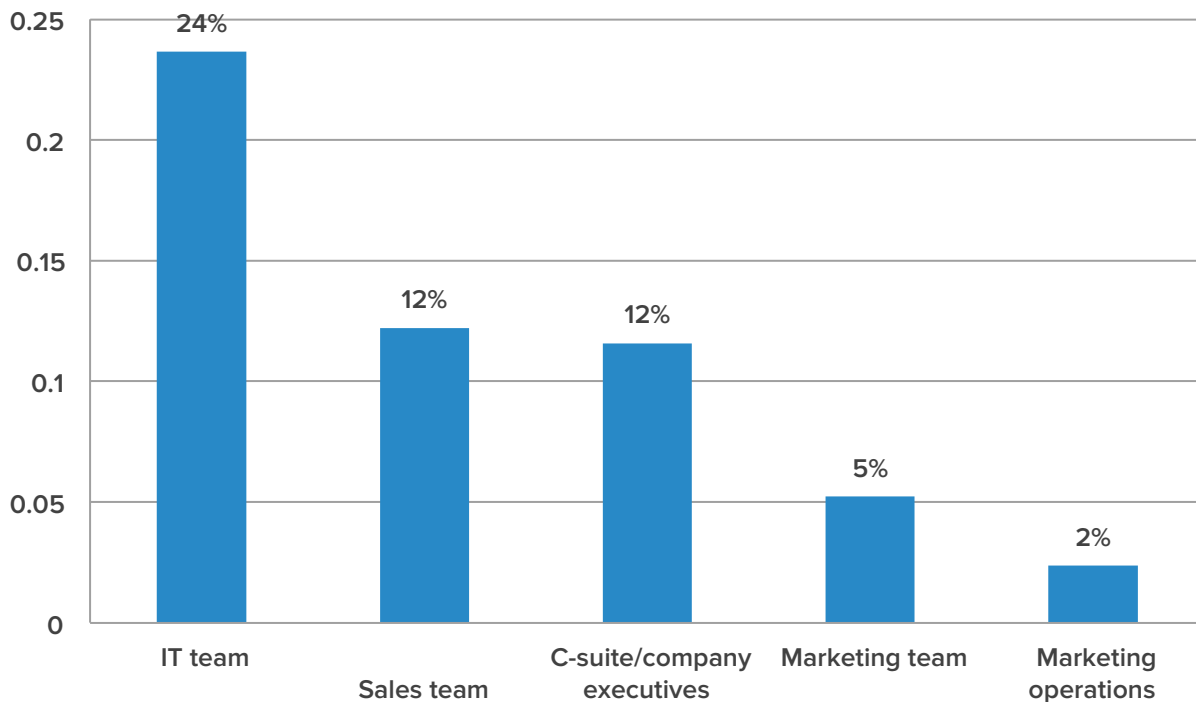
In addition to asking which units are the most supportive of inbound marketing efforts, we also asked marketers which internal teams provide the least budget, personnel, or sponsorship to their inbound marketing efforts.

The chart below tells a story of marketing's struggle to obtain resources for inbound. Challenges with IT lead the pack, with 24% of marketers reporting that their IT teams provide the least backing for inbound efforts. Similarly, sales and executives round out the functional groups offering minimal support for inbound marketing, at 12% each.

Q: Which teams/operational groups provide the LEAST support (in terms of budget, personnel, or sponsorship) to your company's inbound marketing efforts?

Marketers Struggle to Secure IT Resources for Inbound Marketing

IT teams offer minimal inbound support, reports 24% of marketers



It's not surprising that 12% of marketers claim sales professionals undervalue inbound objectives. As we saw earlier in this chapter, only 27% of companies report any kind of formal agreement delineating responsibilities between sales and marketing teams. With this in mind, it's easy to understand some of the reasons why sales teams provide minimal support to marketers' inbound efforts.

Clearly, the marketing-sales divide is not the only functional challenge deterring inbound adoption. In this data, we can also identify evidence of the customary marketing and IT dissonance – in

which marketing consistently tries, and fails, to secure the necessary tech resources to enact their digital marketing ideas.

The 2013 State of Inbound Marketing data segments draw a similar picture. The IT team is much less likely to be supportive for B2B companies. Responses say that 26% of B2B IT groups impede inbound efforts versus 20% for B2C companies. B2B firms likely struggle for IT resources because it's harder to draw a direct line to ROI for lead gen efforts. B2B sales teams also lag in supporting B2B inbound efforts, with nearly 14% of responses.

Enterprise firms face a similar struggle with IT bandwidth, as 31% of marketers in large companies indicate a lack of support from their IT teams.

Politically, getting your IT team invested in the promise of inbound marketing is one of the best things you can do to ensure inbound's success. While some IT teams may just say "no" to every marketing initiative, the vast majority of companies are capable of building successful IT-marketing partnerships. It just takes the right communication explaining the long-term, bottom-line benefits of inbound strategies.

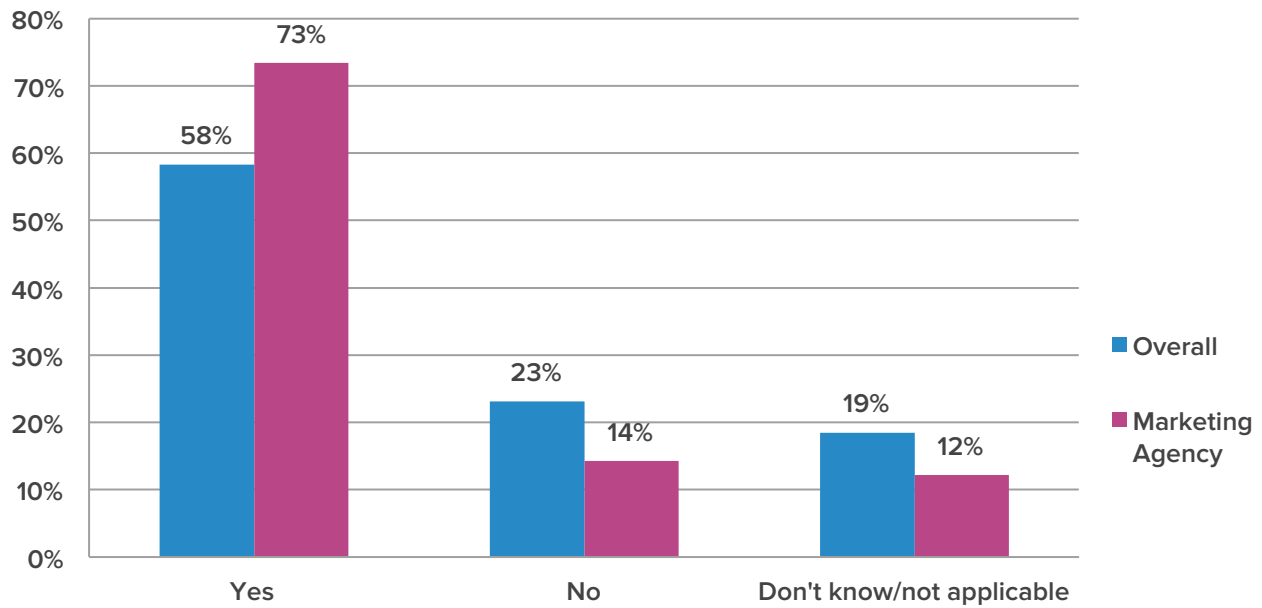
Chapter One Appendix

1. Is inbound mandatory? Marketing's adoption of inbound strategies

Q: Does your company do inbound marketing? (Segmented by industry)

Agencies Implement Inbound Marketing Strategies Ahead of Industry Averages

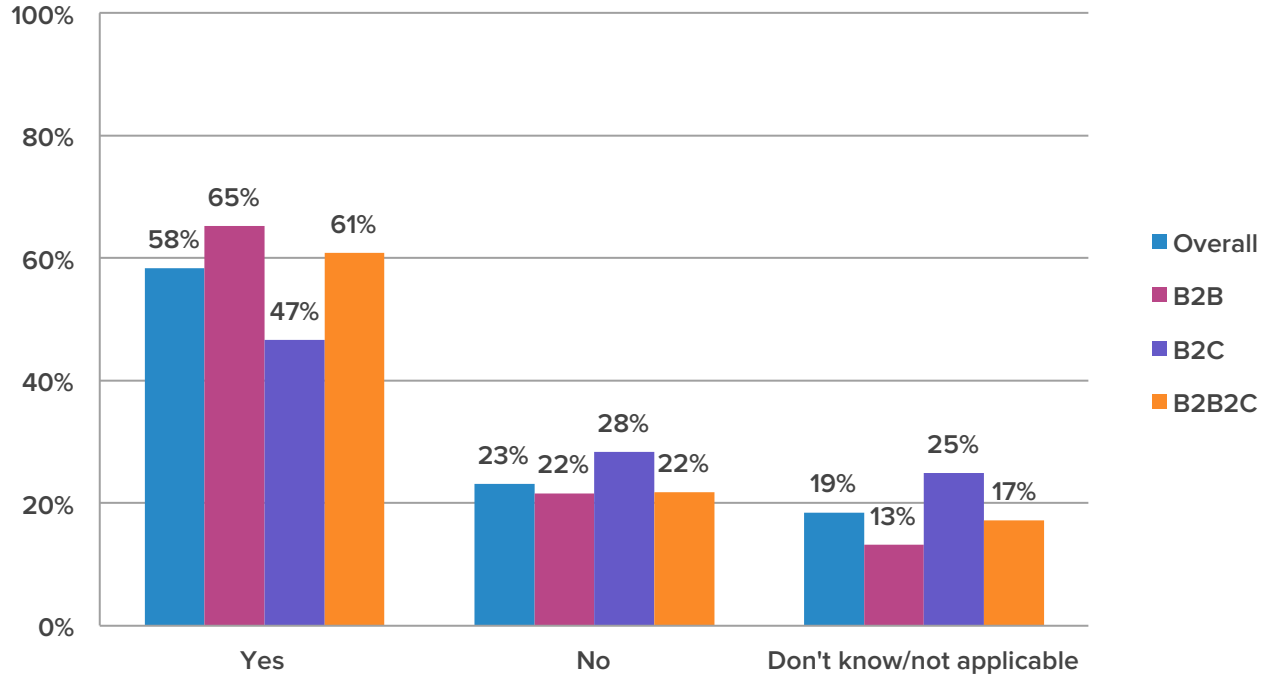
Nearly 75% of agencies use inbound marketing in 2013



Q: Does your company do inbound marketing? (Segmented by business model)

B2C Companies Lag in Inbound Marketing Implementation

38% more B2B firms embrace inbound strategies than B2C companies embraced inbound marketing strategies for 2013

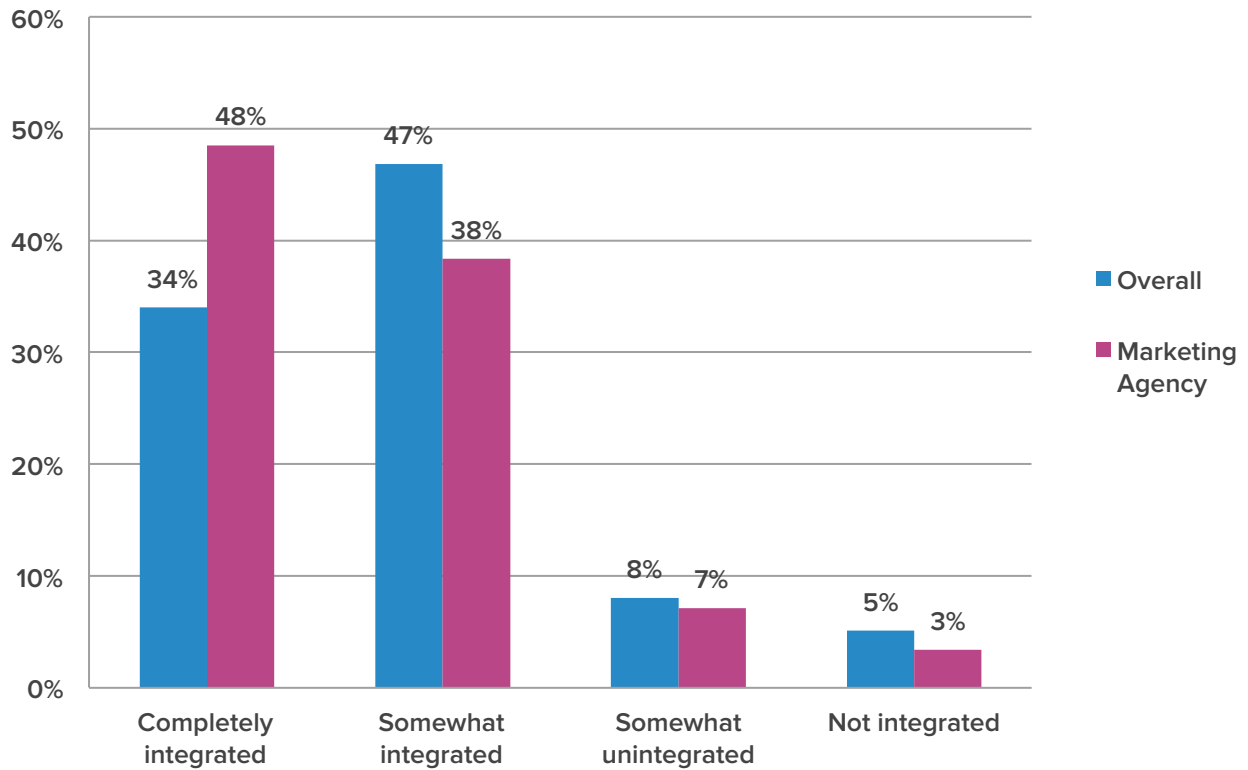


2. Is inbound marketing definitional? Strategy integration between inbound and other marketing initiatives

Q: How integrated is your company's inbound marketing strategy with your larger marketing strategy? (Segmented by industry)

Agencies Prioritize Integrating Inbound Marketing with Broader Goals

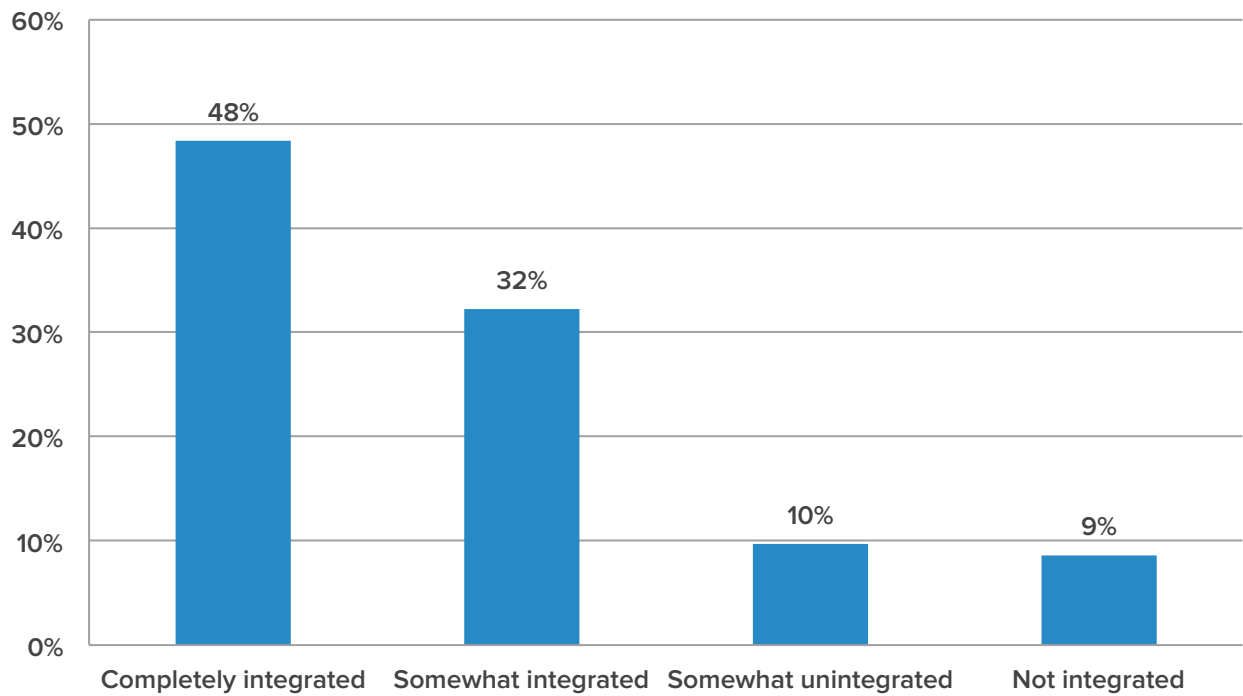
Nearly half of agencies fully integrate their marketing and inbound strategies



Q: How integrated is your company's inbound marketing strategy with your larger marketing strategy? (Segmented by job title)

Most CEOs Report Complete Inbound Integration

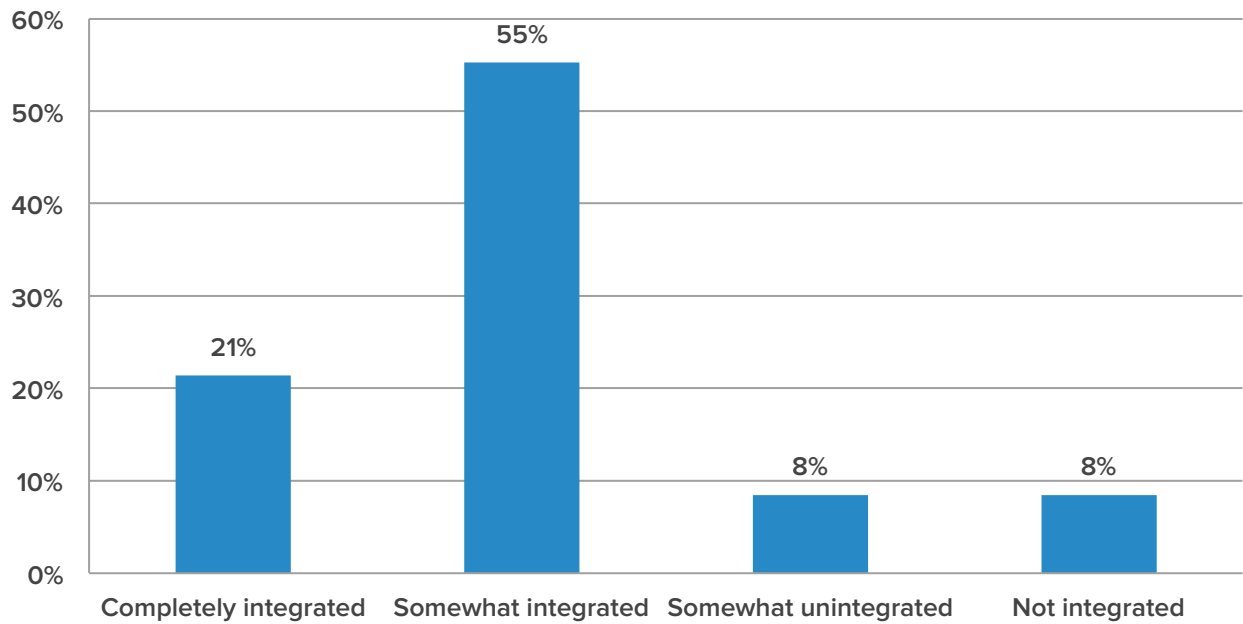
Nearly half of CEOs link inbound with larger marketing goals



Q: How integrated is your company's inbound marketing strategy with your larger marketing strategy? (Segmented by company size)

Enterprise Firms Lag in Inbound Marketing Integration

Just 21% of enterprise companies completely assimilate inbound marketing with larger strategy

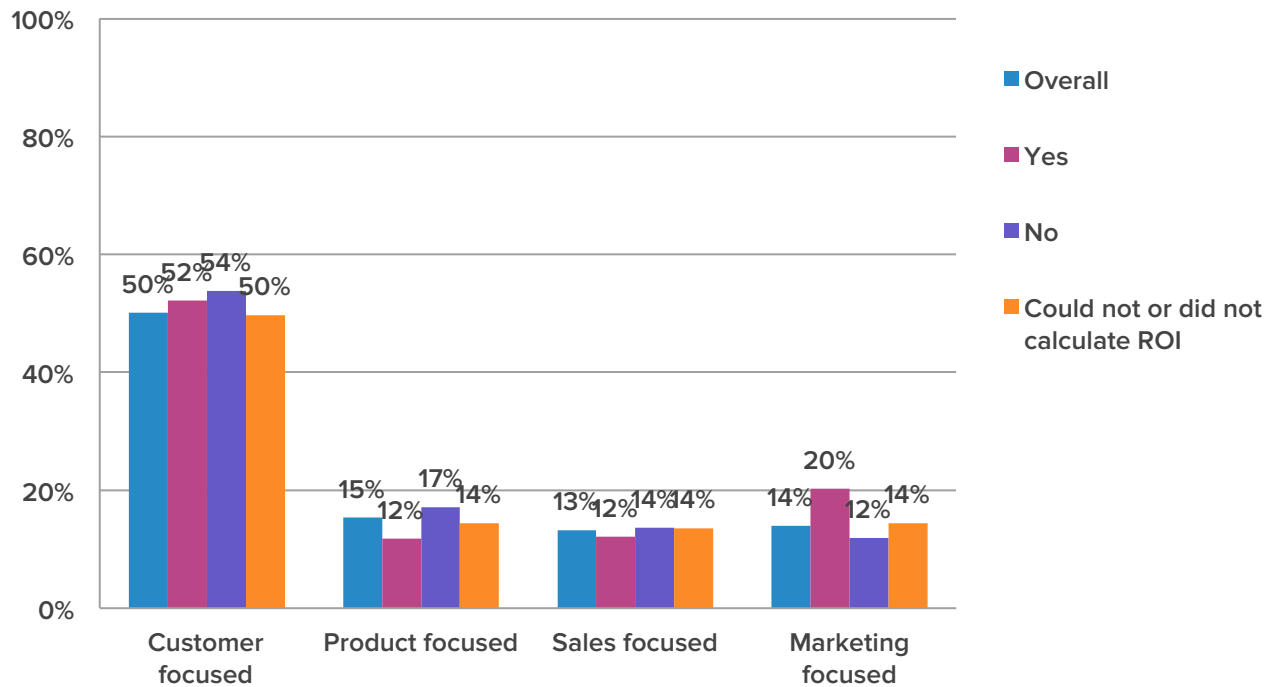


3. Has the customer-centric company arrived? Business's 2013 priorities

Q: Do you consider your company to be primarily (customer focused, marketing focused, product focused or sales focused)? (Segmented by companies showing inbound marketing ROI)

Marketing-Focused Companies Most Likely to Show Inbound Marketing ROI

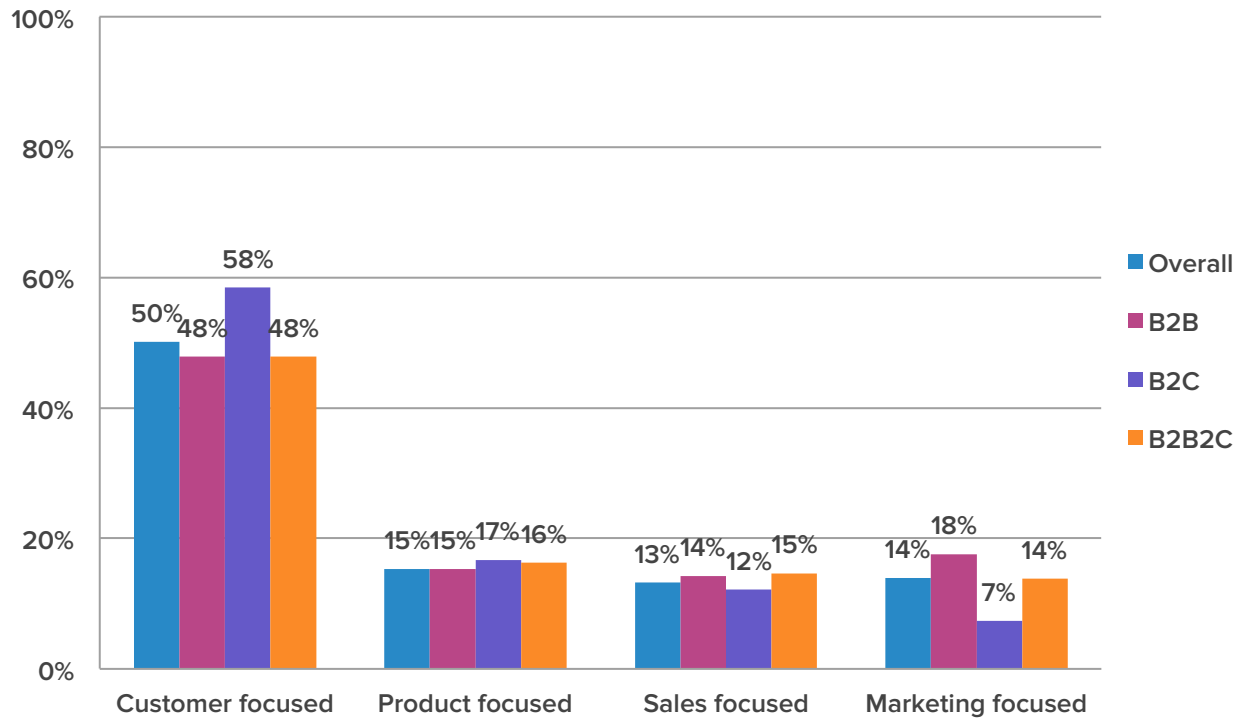
Companies with marketing-centric strategies 10% more likely to deploy inbound than customer-focused ones



Q: Do you consider your company to be primarily (customer focused, marketing focused, product focused or sales focused)? (Segmented by business model)

Customer Focus Central to B2C Strategy

58% of B2C companies primarily customer-focused

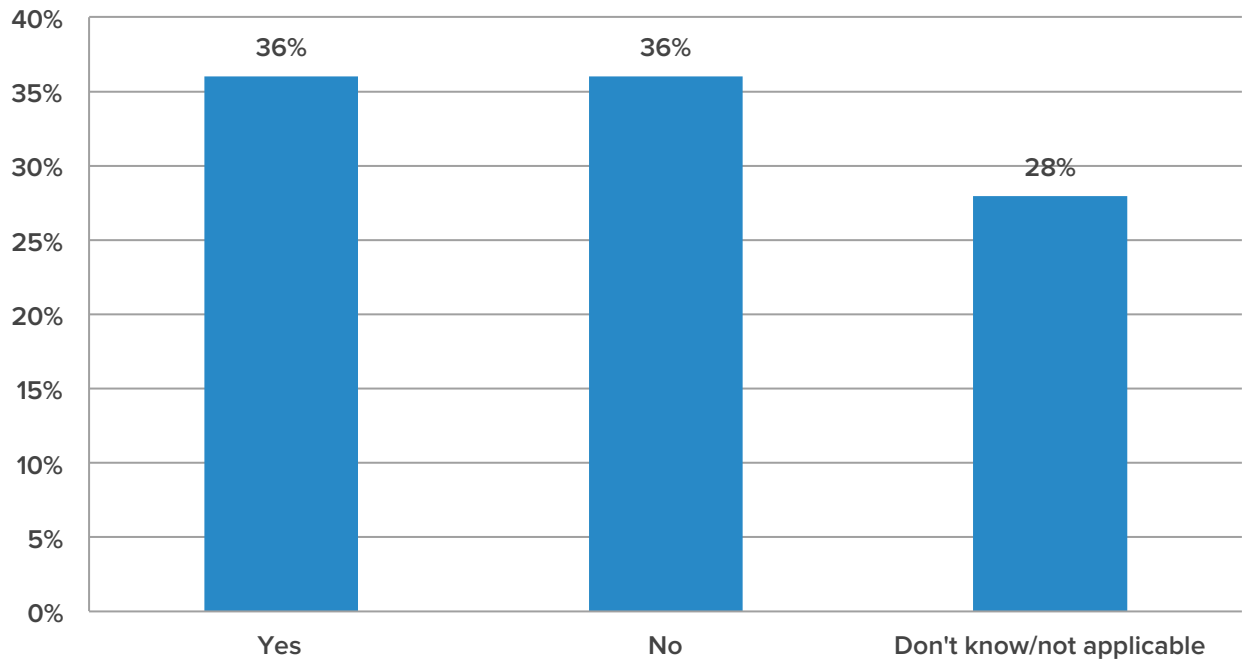


4. Does inbound address the marketing-sales divide? Formalizing relationships between sales and marketing teams

Q: Does your company have a formal agreement between sales and marketing teams to determine both teams' responsibilities? (Segmented by company size)

Enterprise Firms Lead Marketing-Sales Role Demarcation

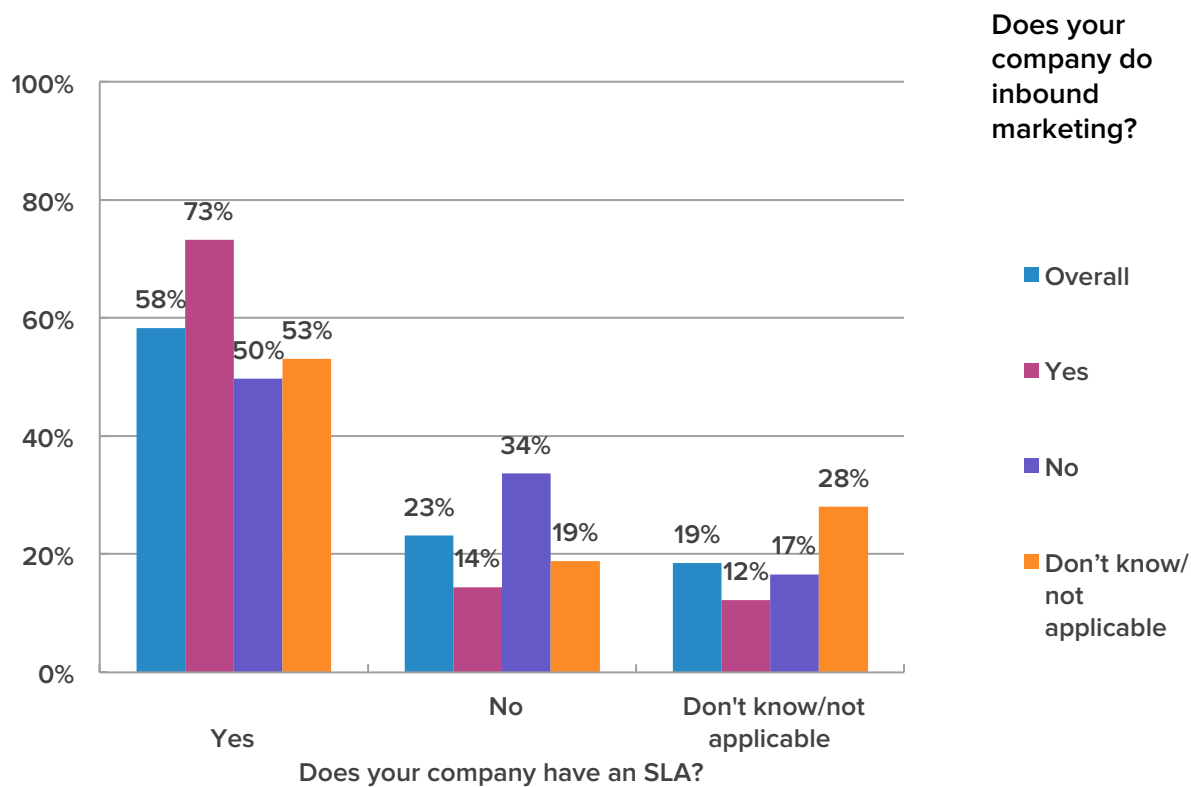
Marketing-sales agreements in place at 36% of companies with 200+ employees



Q: Does your company have a formal agreement between sales and marketing teams to determine both teams' responsibilities? (Segmented by companies implementing inbound marketing)

Inbound Marketing Firms More Likely to Solidify Sales-Marketing Relationships

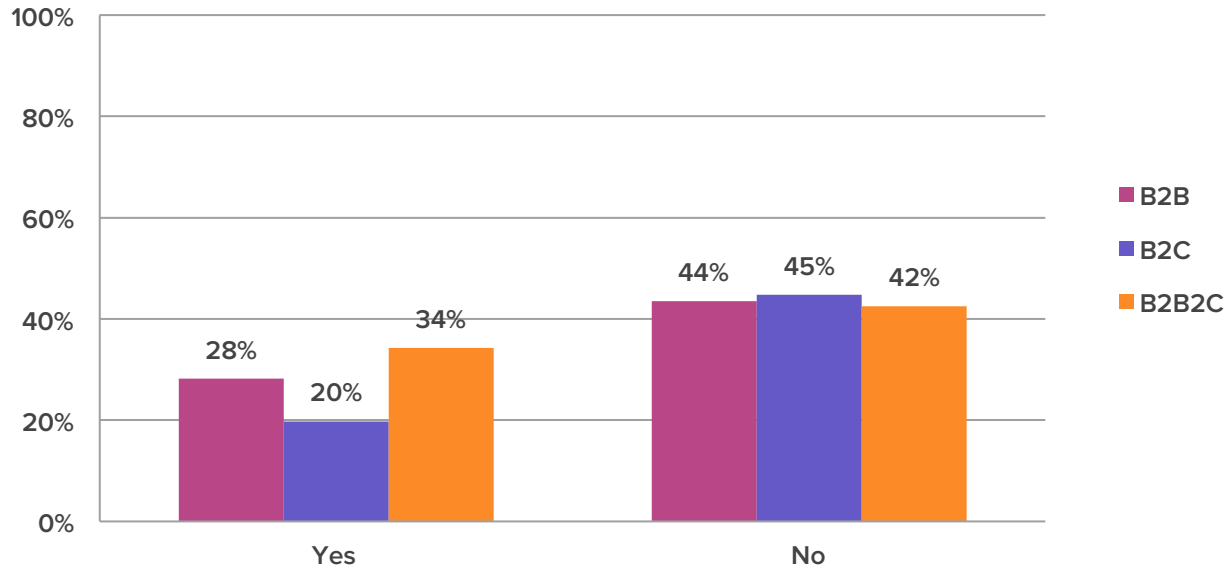
Nearly 75% of companies with a formal sales-marketing agreement implemented inbound in 2013



Q: Does your company have a formal agreement between sales and marketing teams to determine both teams' responsibilities? (Segmented by business model)

Slightly More B2B Companies Detail Marketing-Sales Obligations

8% more B2B firms formalize mutual responsibilities than B2C peers

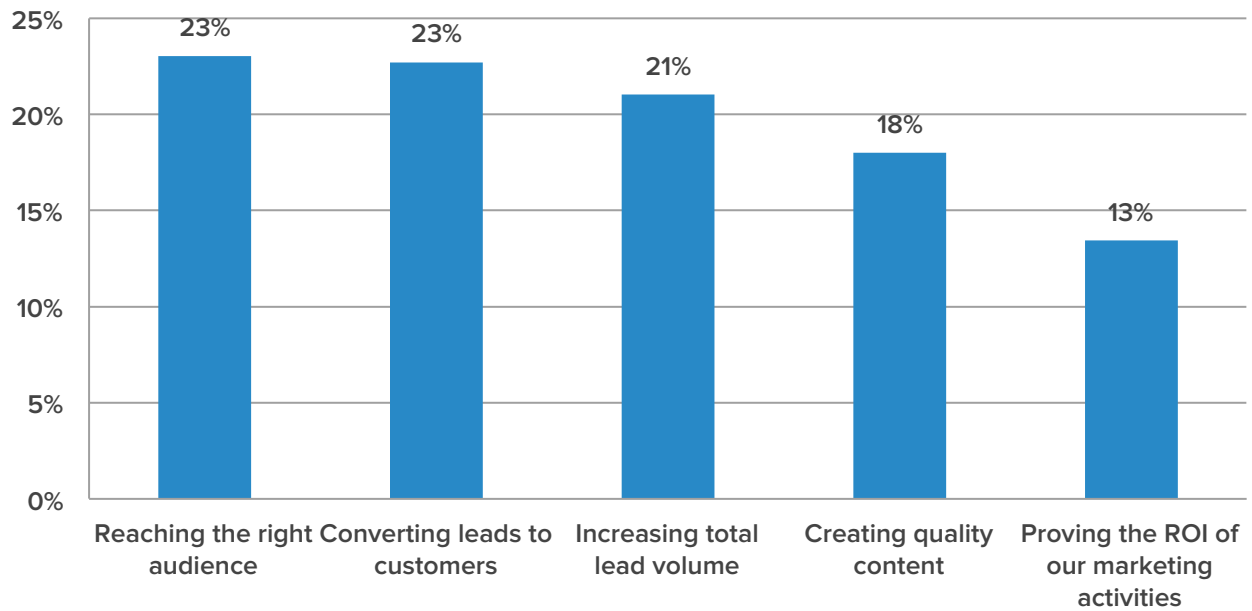


5. What are marketers' top inbound marketing priorities? Marketers rate their 2013 goals

Q: What are your company's top marketing PRIORITIES? (Segmented by country)

International Marketers Similarly Focused on Audience, Lead Conversion

Reaching the right audience and converting customers top global priorities in 2013

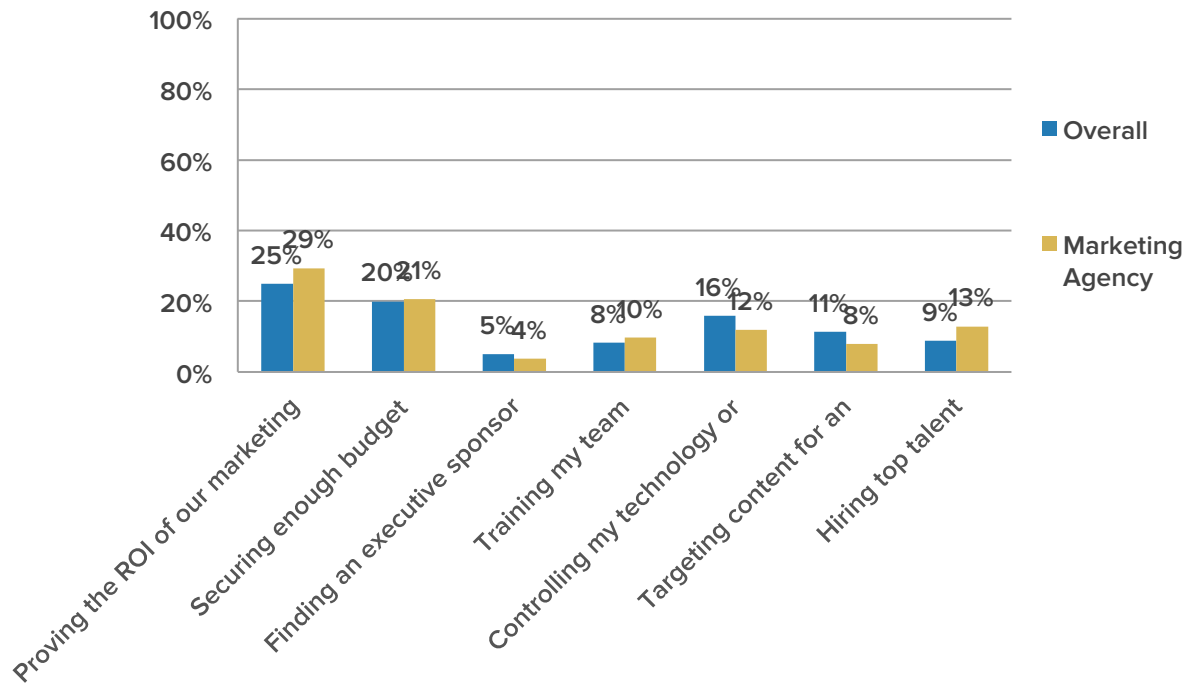


6. What are the top inbound marketing challenges? Marketers rate their 2013 concerns

Q: What are your company's top marketing CHALLENGES? (Segmented by industry)

Inbound Marketing Agencies Struggle to Prove ROI, Control Technology

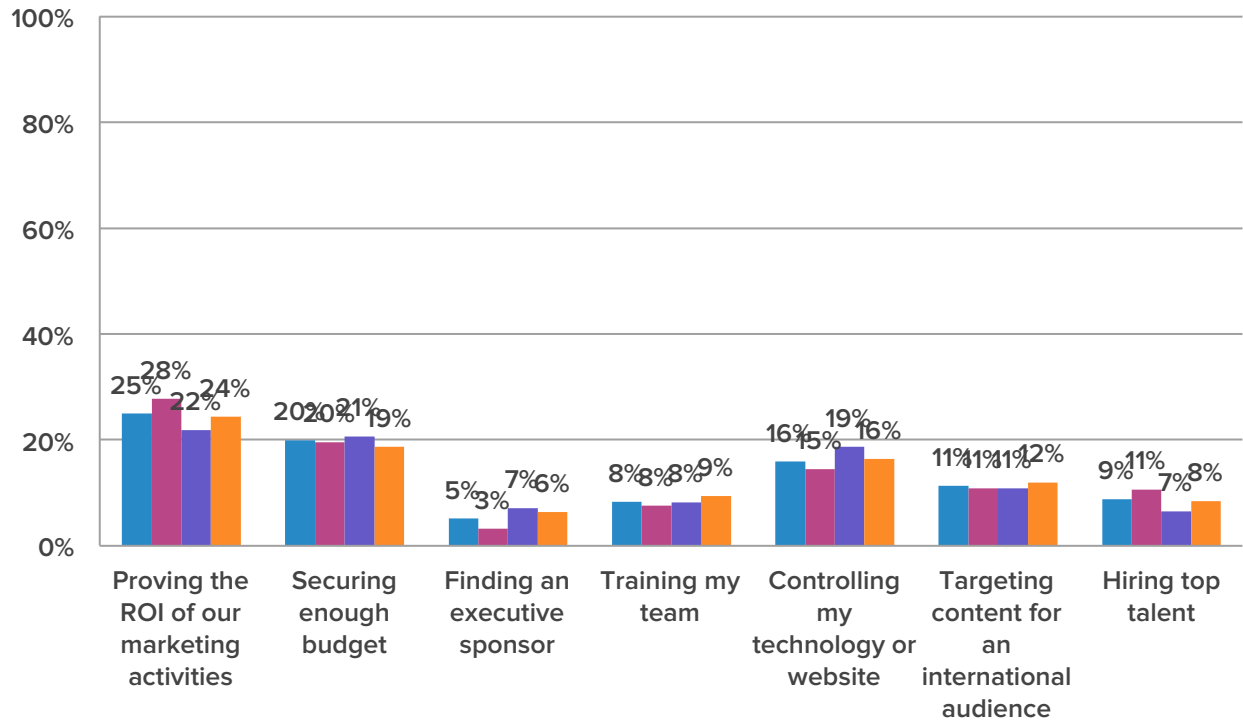
30% of agencies say top concern is demonstrating ROI



Q: What are your company's top marketing CHALLENGES? (Segmented by business model)

B2B, B2C Companies Split on Top Inbound Marketing Challenges

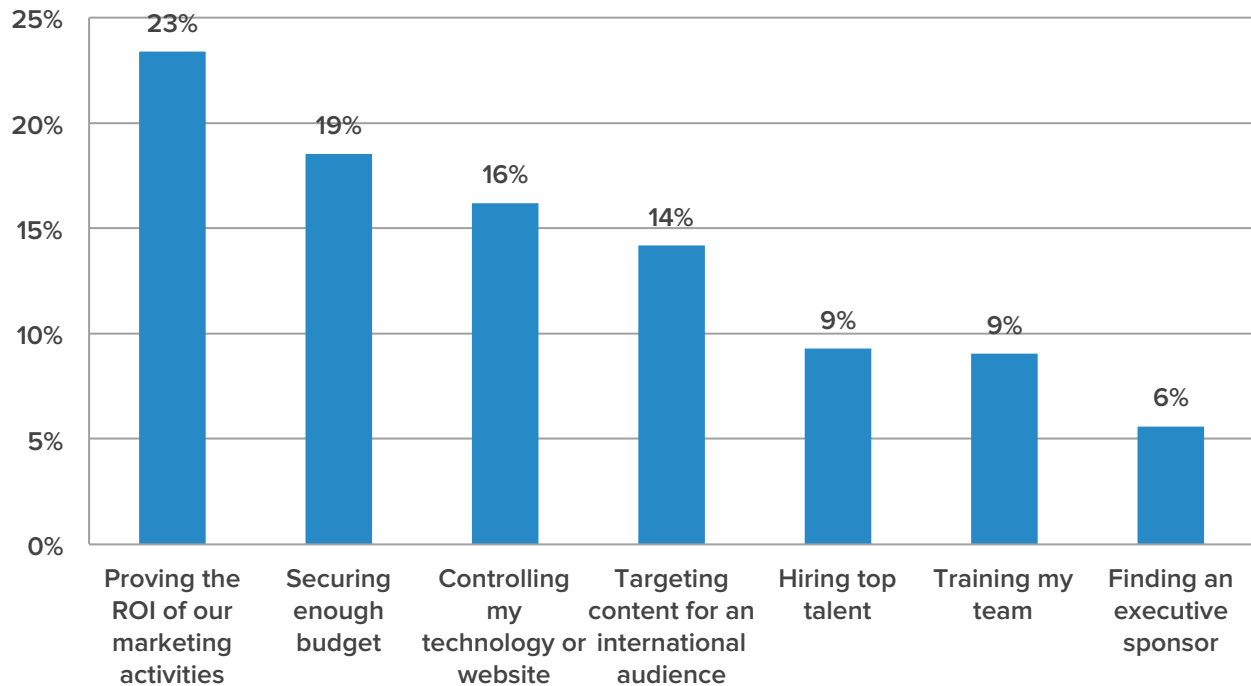
B2C firms fight for budgets, B2B marketers strive to defend ROI



Q: What are your company's top marketing CHALLENGES? (Segmented by country)

International Marketing Challenges Track Closely with U.S. Concerns

23% of international firms concerned with proving ROI of inbound

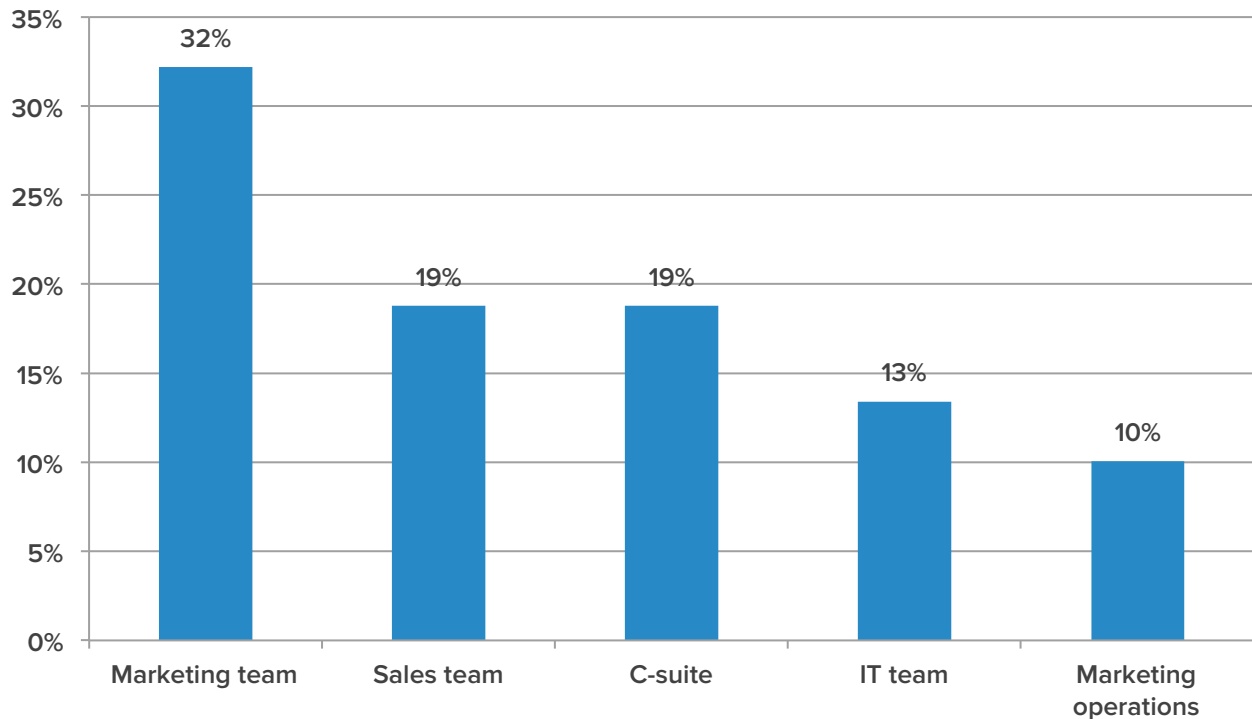


7. Who are inbound marketing's fans? Tracking corporate support for inbound activities

Q: Which teams/operational groups provide the MOST support (in terms of budget, personnel, or sponsorship) to your company's inbound marketing efforts? (Segmented by job title)

CEOs Report Mixed Support for Inbound Efforts

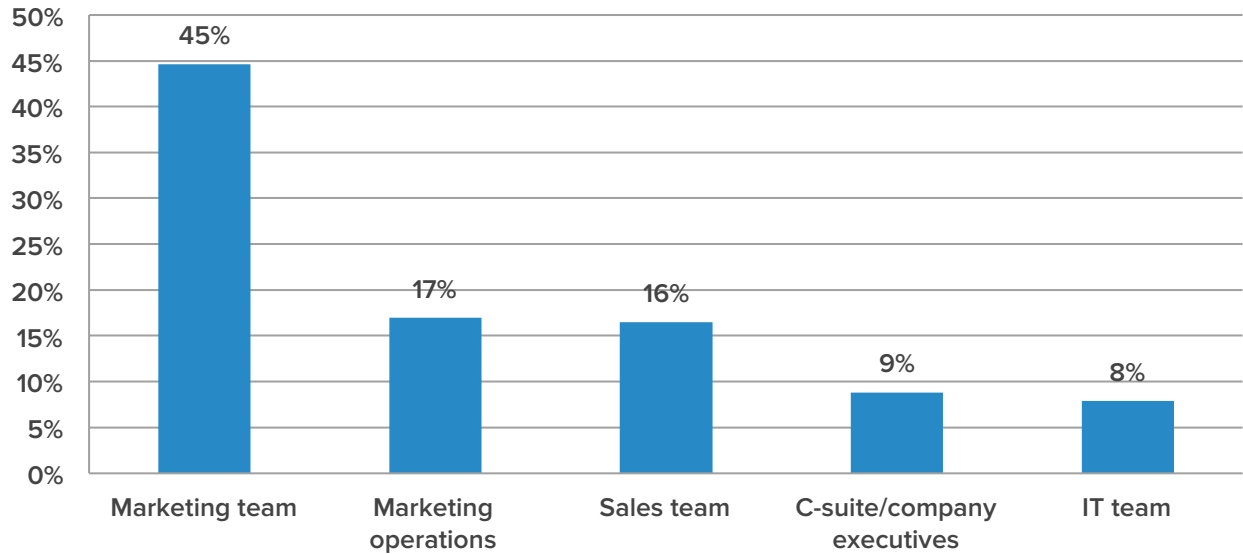
19% of CEOs offer significant support for inbound marketing initiatives



Q: Which teams/operational groups provide the MOST support (in terms of budget, personnel, or sponsorship) to your company's inbound marketing efforts? (Segmented by company size)

Enterprise Teams Allocate Predominantly Tactical Resources to Inbound Marketing

Large companies report more operational support, less C-suite sign off for inbound strategies

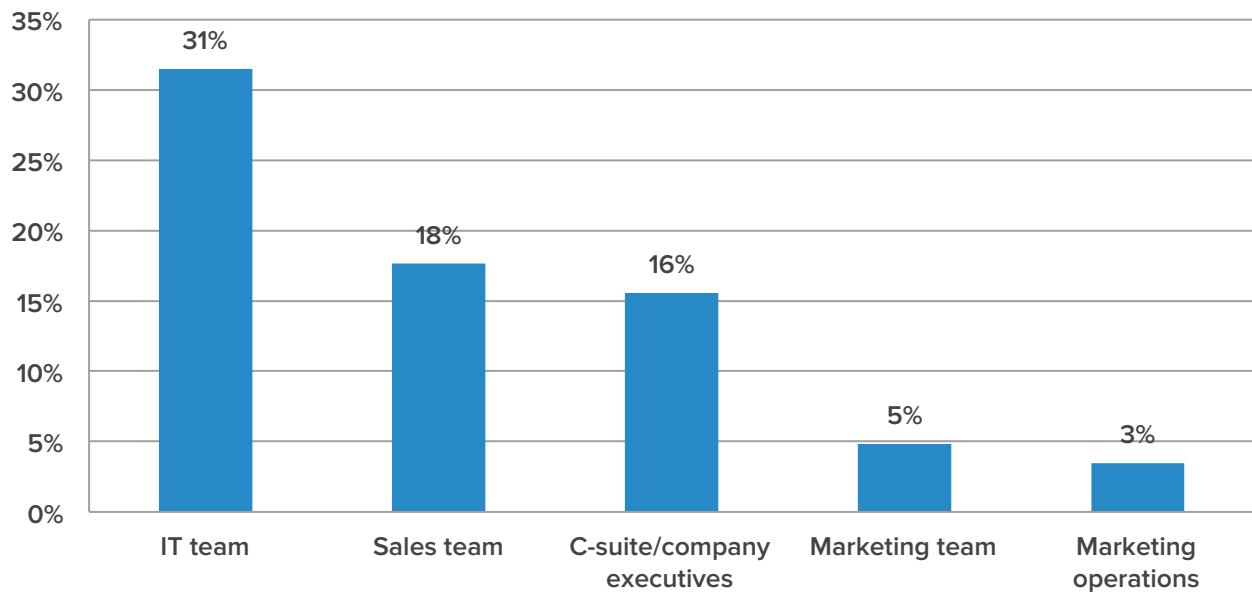


8. Who is blocking inbound? Internal barriers to inbound activities

Q: Which teams/operational groups provide the LEAST support (in terms of budget, personnel, or sponsorship) to your company's inbound marketing efforts? (Segmented by company size)

Enterprise Companies Struggle with IT Team Bandwidth

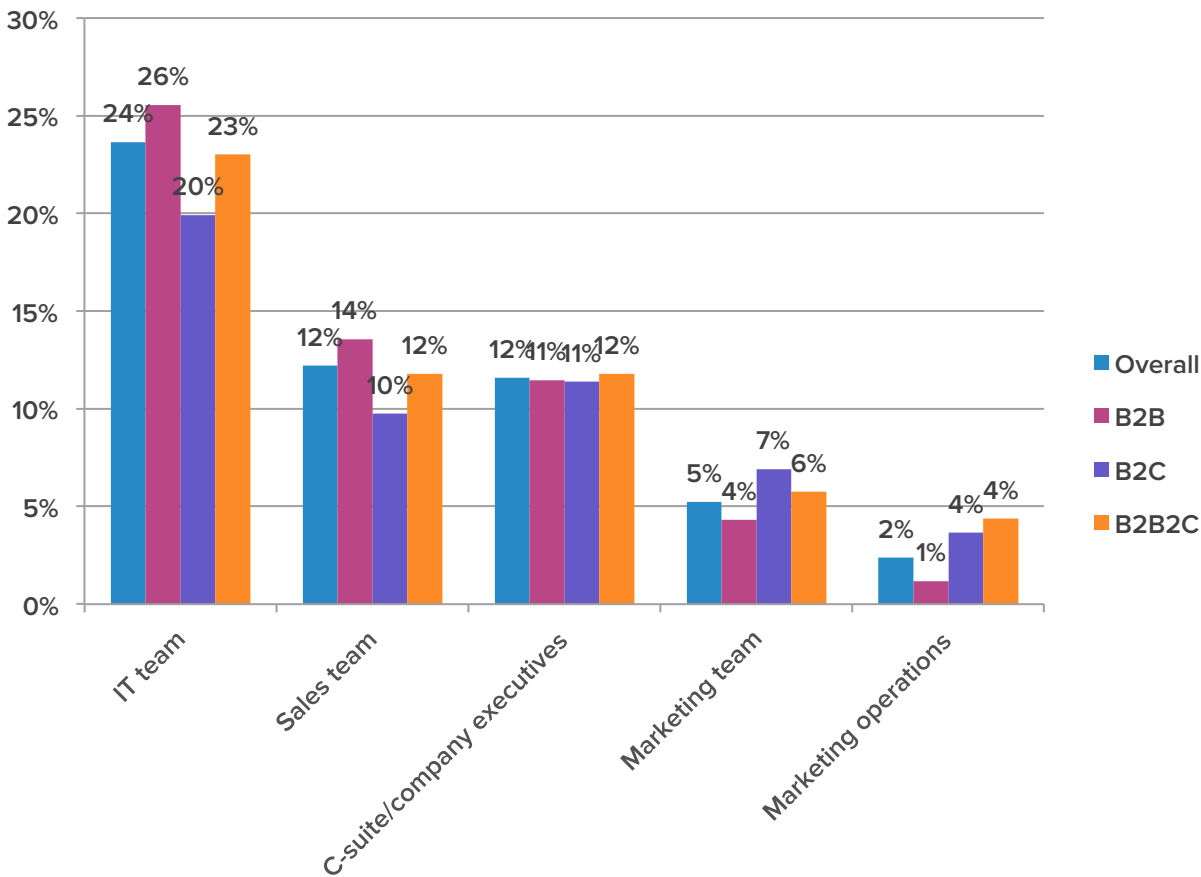
31% of enterprise marketers report their IT teams are unsupportive



Q: Which teams/operational groups provide the LEAST support (in terms of budget, personnel, or sponsorship) to your company's inbound marketing efforts? (Segmented by business model)

B2C Sales, Tech Teams Lag B2B Company Inbound Marketing Support

IT teams 30% less likely to be supportive of B2B inbound efforts





CHAPTER 2 | **WHY INVEST IN INBOUND?**

The Business Case for Adopting Inbound Marketing

The second chapter covers how marketers are calculating the ROI of their inbound efforts, measures how inbound stacks up against traditional marketing in terms of cost, and compares respective budget allocation and key factors that impact those budgetary decisions.



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Chapter Two: Why Do Inbound? The Business Case for Adopting Inbound Marketing

Inbound marketing sounds great in theory. Who wouldn't agree with the goal of developing great content to pull people toward your company and product because they fall in love with you?

Business leaders, however, cannot be satisfied with happy ideals – what HubSpot social media scientist Dan Zarrella dismisses as the “unicorns and rainbows” perspective of digital marketing. As marketers, we need hard numbers to justify our activities. The question remains: Can inbound marketing show executives the money?

The second chapter of the 2013 State of Inbound Marketing Report focuses on making the business case for inbound marketing. It covers how marketers are calculating the ROI of their inbound efforts, how inbound stacks up against traditional lead gen activities on a cost per lead (CPL) and cost per customer (CPA) basis, and which channels and social media platforms marketers say deliver the best leads and customers.

This chapter also looks at marketers' 2013 budget allocations, the relative rise in inbound vs. traditional marketing budgets, and what factors impact strategic budget decisions.

This chapter includes the following sections:

- 1) Is inbound worth it? Measuring inbound marketing's ROI
- 2) What does lead gen cost? Lead and customer acquisition costs in 2013
- 3) Where do we get leads? Inbound vs. outbound lead sources and costs
- 4) What is a lead worth? Marketers rate average costs per lead
- 5) What are the best leads? Lead conversion by channel
- 6) Where do customers come from? Customer acquisition rates by channel
- 7) What will marketers spend on inbound this year? Tracking 2013 inbound marketing budgets
- 8) How do 2013 inbound budgets measure up? Inbound vs. outbound budgets
- 9) What influences budget strategy? Factors swaying 2013 budget changes
- 10) What inbound numbers do marketers track? Evaluating inbound marketing data

Key discoveries

- **Inbound marketing produces more, better quality, cheaper leads:** Twice as many marketers say inbound delivers below average cost per lead vs. outbound strategies. Our survey found that 34% of the leads marketers generate in 2013 come from inbound marketing sources. In fact, inbound marketing delivers 54% more leads into the marketing funnel than traditional outbound leads.

Inbound leads also show superior CPL and CPA. U.S. inbound marketers spending more than \$25K per year, for instance, saved an average of 13% in overall cost per lead and more than \$14 dollars for every new customer acquired vs. those relying on outbound strategies.

- **For those tactics marketers effectively track, inbound delivers on its ROI promise:** Forty-one percent of marketers confirm inbound produces measurable ROI, and a staggering 82% of marketers who blog see positive ROI for their inbound marketing. Additionally, 41% of all marketers who changed their budgets last year did so because they witnessed past success with inbound marketing – making inbound success a full 150% more likely to drive inbound budget increases than any other rationale. While this tracking is vital for proving the case for inbound marketing, the next evolution of the industry is a better universal inbound playbook that ties all our ROI tracking together.
- **We are in the midst of a growth spurt. Inbound outpaces traditional lead generation in both lead production and spending:** Forty-eight percent of marketers plan to increase their inbound marketing spending this year – the third year in a row that inbound budgets are increasing at or near a 50% pace. Executives lead this strong growth, as 53% of CEOs and CMOs increased their 2013 inbound marketing budgets.

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

- **Social media, SEO, and blogs rank as the top channels to watch in the coming years:**

Social media and SEO each contribute 14% of marketers' total pipeline in 2013. According to marketers, SEO and social media also lead in sales conversions, netting 15% and 13% above average conversion rates in 2013, respectively, while accounting for a combined 23% of all inbound budgets. An additional 21% of marketers report that social media has become more important to their company over the past six months.

Facebook leads social media customer sources, with 52% of all marketers sourcing a lead from Facebook in 2013 and 74% saying Facebook is important to their lead generation strategies. Company blogs and LinkedIn tie for second place honors, with 43% of marketers generating a customer from each of these respective channels.

Blogging and social media have also enjoyed consistently strong annual growth, with 23% of marketers investing in these channels, a 9% increase from 2012.

- **But, for inbound to work, it requires commitment and strategic vision:** Seventy-nine percent of companies that have a blog report a positive ROI for inbound marketing this year, compared to just 20% of companies who do not have a blog. In fact, 82% of marketers who blog daily acquire a customer using their blog, as opposed to 57% of marketers who blog monthly – which, by itself, is still an impressive metric. Finally, marketers spend 55% more time than budget on blogging.
- **Analytics remain confusing:** A staggering 34% of businesses cannot or do not calculate ROI in 2013. Some marketers are clearly dedicated to tracking the “hard numbers” that matter to executives. Fifteen percent of marketers tie their inbound results directly to either company revenue or customers/wins generated.

What to do with these lessons:

- 1. Adopt inbound marketing early to take advantage of significant upside potential:** If you haven't yet adopted inbound marketing, it's not too late. Still, the early adopters of new business paradigm shifts always see the best results, so don't lose out on existing competitive advantages by standing on the sidelines. With the decline of traditional marketing's effectiveness, marketers cannot afford to wait for their leads to dry up before refocusing their marketing practices. Join the first wave of marketers who understand how online strategies have transformed marketing by clearly defining and executing your own inbound methodology.
- 2. Fully commit to the inbound marketing model:** Inbound is a theory, but it only works if you actually do it. Adopting inbound marketing is not about dipping in your toe with a few ancillary "content" campaigns or hiring one inbound marketer to sit next to your email person. For inbound strategy to work, it needs both resources and company-wide allegiance. To begin, educate yourself and your team – and other cross functional teams, such as sales and IT – on inbound marketing's goals and framework, beginning with the inbound methodology in this report's Introduction section. Then, define your customer personas and focus on developing rich educational material. Ultimately, your inbound results will reflect how much, or how little, you really change your everyday business practices.
- 3. Allocate enough budget and resources to implement your inbound strategies:** You can't perform without bandwidth or budget. Make sure your marketing team is armed with sufficient staff to execute on their inbound goals – as we will see in Chapter Four, most inbound marketing teams expect to hire an average of nine new members this year. Similarly, provide your team with the tools they need to implement, optimize, and test their inbound initiatives.
- 4. Tie results to hard data and hard numbers that matter to your executives, such as revenue and customer acquisition:** Inbound marketing must integrate with larger business goals. Without connecting marketers' lead generation and sales efforts, marketers are

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

doomed to be seen as a cost center, which is counter-productive to the goals of inbound marketing. Inbound provides a wealth of data analysis.

“Softer data,” such as brand awareness and even traffic is fine to be aware of, but reporting to the executive team means knowing which numbers clearly impact the bottom line. Specifically, executive respondents to our survey are more focused on numbers that directly affect ROI, including 17% who measure revenue and 16% who look at customers or wins. Want to get ready for the next meeting with your executive team? Make sure you know how much your inbound marketing efforts have contributed to your company’s overall revenue.

1. Is inbound worth it? Measuring inbound marketing's ROI

“

The internal barrier to inbound marketing execution is time. Tracking ROI on inbound marketing is hard, and the ones that do are looking at inbound marketing like they do other "point of impact" campaigns, i.e., campaigns designed to generate ROI in a short amount of time. Inbound marketing will over time be the top producer in your marketing mix, but the results don't start pouring in until you are committed to ROI over the course of multiple quarters. Volume is another early issue that is solved with time and commitment. Net-net, they are the best leads -- who doesn't want someone to walk into their store?

- Craig Rosenberg

Editor

www.funnelholic.com

”

According to our 2013 State of Inbound Marketing Survey, 48% of marketers plan to increase their inbound spending this year – the third year in a row that inbound budgets are increasing at a pace of nearly 50%! This budget influx begs the question: Is inbound worth it?

We set out to discover if inbound marketing delivers the bottom-line success that will sustain this financial investment over time, and we asked marketers if inbound marketing demonstrated ROI for their companies.

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Overall, 41% of marketers confirm inbound marketing's positive ROI. While this is a large number of respondents, it is certainly not a "hitting it out of the park" statistic.

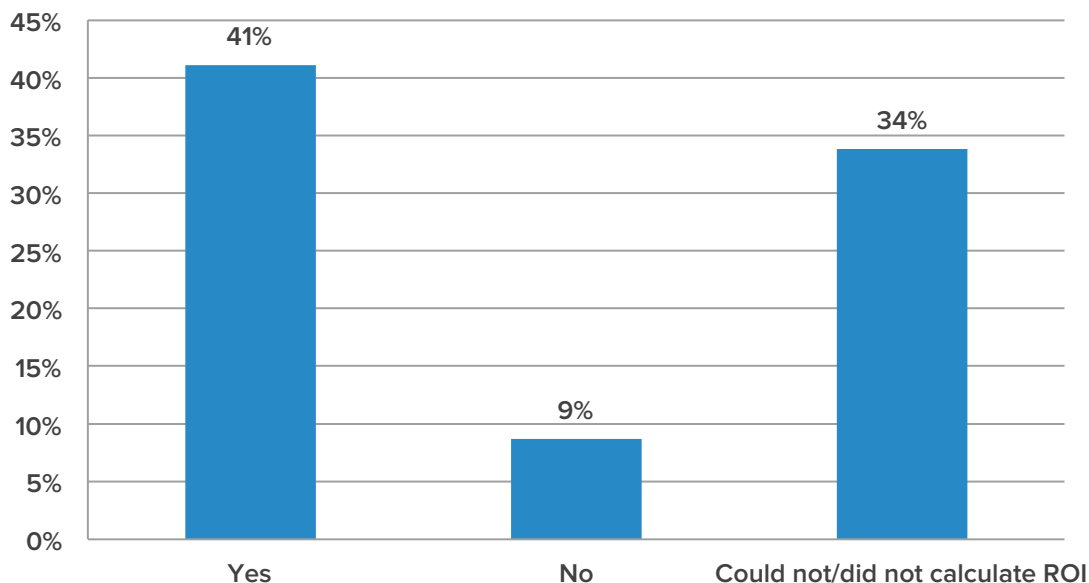
More startling in this data, however, is the sheer volume of marketers who remain on the learning curve. In 2013, a staggering 34% of businesses cannot or do not calculate ROI at all.

This lack of tracking actually put this report's ROI data in a better light. Among those companies who can actually calculate ROI – positive or negative – most are enjoying strong bottom-line success. Just 9% of marketers who implement ROI say it is not generating desired results.

Q: Did inbound marketing demonstrate ROI for your company?

Inbound Marketing Delivers on ROI, but Marketers Face Calculation Struggles

41% of marketers confirmed inbound's ROI, but 34% could not calculate ROI in 2013



As you can see in the Chapter Two Appendix, 41% of either CMOs or CEOs report that inbound generated the positive ROI they sought last year, tracking exactly with industry averages. However, 15% of the C-suite audience indicate that inbound did not produce that ROI.

More than half of agencies report positive ROI in 2013. This is a case in which agencies' relative inbound maturity yields a direct improvement on bottom-line results. Agencies are 25% more likely

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

to implement inbound marketing, and they report a corresponding 24% improvement in demonstrable return.

Why Can't We Measure ROI?

There are a lot of factors that contribute to marketers' struggles in calculating ROI. First, as an industry, inbound is evolving. Marketers are still getting their arms around what inbound means and how to track it. Additionally, committing to inbound marketing requires effort – developing strong content to communicate with your prospects and turn them into customers isn't a “silver bullet” solution but a transformative business process.

We know that inbound marketing works – as you will see in the next section, inbound marketing efforts are twice as likely to produce low-cost leads as traditional strategies – but despite clear advantages over traditional marketing, marketers continue to wrestle with how to define and report on their inbound results.

Overall, inbound's ROI metrics should improve over time. Those marketers who “get” inbound marketing are producing solid bottom-line results, while companies earlier on the learning curve are still sorting out analytics.

Still, the number of marketers who don't know how to report on their success is troubling for the long-term health of our industry. Given that, according to a Forrester Social Management Technology Report, the SEO industry alone is expected to grow to \$970M by 2016, marketers are potentially wasting hundreds of thousands of dollars a year through a lack of relevant data tracking – and that's just one aspect of the overall inbound marketing universe.

Inbound marketing execution is not easy. Even with a comprehensive software solution, by definition, inbound marketing is a strategy that involves multiple channels, all working in concert with one another. While this strategy is incredibly effective in magnifying the results of all your marketing efforts – what we call 1+1= 3 – for beginners, it can feel like juggling a variety of disparate channels all at once. It may be nearly impossible to follow your end-to-end ROI thread, particularly if you are lacking the right data tracking and analytic tools – hence the 34% of very smart marketers struggling to produce this data point.

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If these calculation challenges were to persist, it would be a virtual death knell for the inbound marketing model. As a result, we expect a lot of strategic, educational, and technical solutions dedicated to addressing ROI tracking in next year.

Delivering ROI Requires Execution

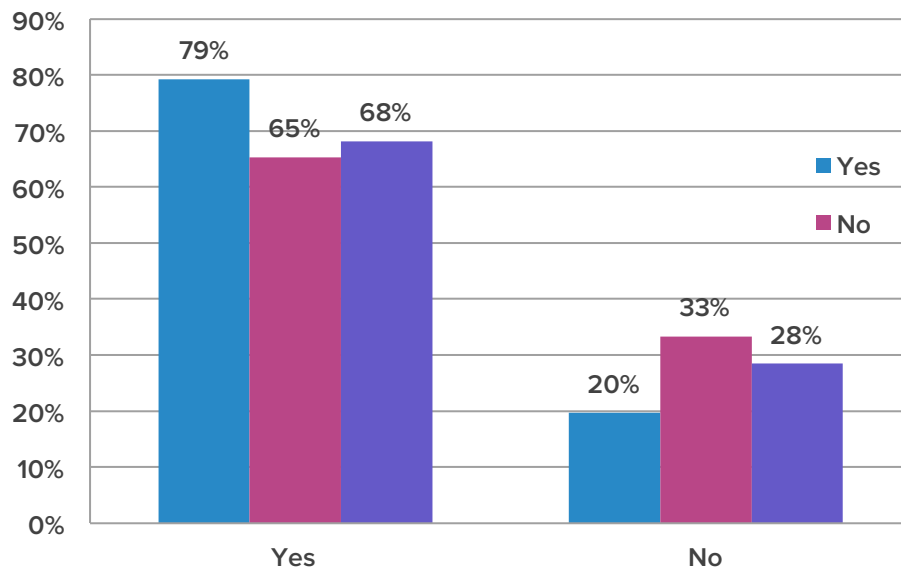
Just like going to the gym, inbound marketing muscles must be flexed on a regular basis for inbound to really work.

To get a more complete understanding of why marketers were – or were not – reporting ROI for their inbound marketing practices, we looked at what inbound activities marketers execute regularly in 2013.

Q: Does Your Company Publish a Blog?

Blogging Improves Inbound Marketing ROI

80% of marketers with a company blog reported inbound ROI for 2013



Survey data is always somewhat biased because it relies on self-reported activities and opinions. To develop a more comprehensive view of inbound results, we pressure-tested the 2013 State of Inbound Marketing Survey results against actual HubSpot customer experiences. From this

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

customer data, we learned that inbound marketing success relies on consistency – and this trend was clearly reflected in our survey results.

Unlike more traditional ad spends, for which you cut a check and then sit back and wait for results, inbound marketing requires a consistent commitment to delivering strong content on a regular basis. It takes more than one white paper to establish your company as a thought leader.

For example, blogging is one of the oldest and most proven inbound marketing strategies. HubSpot customers who produce more than 15 blog posts a month generate an average of 1,200 new leads in the same timeframe. Similarly, as you can see in the chart above, 80% of marketers responding to the 2013 State of Inbound Marketing Survey report positive ROI for their inbound marketing activities.

“

We are a very small company, but every year +50% of our revenue comes from leads generated through the internet. The other(s) are customers from previous years – a lot of them generated via internet in the past.

- Marketer insight

2013 State of Inbound Marketing Survey

”

2. What does lead gen cost? Lead and customer acquisition costs in 2013

With all the complications in tracking ROI and inbound's admittedly time-intensive nature, why are the majority of marketers nearly doubling their investment in inbound marketing this year?

The simple answer? Inbound marketing does a better job at delivering more, higher quality leads. In the next several sections of this chapter, we will walk through the data confirming this conclusion.

Any ROI analysis has to begin with results executives really care about – the ones with a direct impact on overall revenue. To better assess inbound marketing's total ROI, we followed the money trail to identify overall acquisition costs, including marketers' average cost per lead and cost per customer.

The table below shows the average CPL and CPA for U.S. marketers spending more than \$25K on marketing this year. As you can see, in 2013, U.S. inbound marketing activities save marketers an average 13% in overall cost per lead and more than \$14 dollars for every new customer acquired.

Inbound Marketing Improves Lead Acquisition Margins

Inbound vs. Traditional

Do you do inbound marketing? (+25k Marketing Spend)	Average Cost per Lead	Average Cost per Customer
Yes	\$36	\$254
No	\$41	\$268

B2B CPL 53% Higher Than B2C Companies

Sales Channel	Average Cost per Lead	Average Cost per Customer
B2B	\$43	\$264
B2C	\$15	\$149

Defining Sales-Marketing Objectives Dramatically Reduces Lead, Customer Acquisition Costs

Enterprise Companies	Average Cost per Lead	Average Cost per Customer
US Companies with a sales-marketing agreement	\$16	\$291
US Companies without a sales-marketing agreement	\$36	\$486

Of course, as with most “simple” answers, the landscape is a little more complicated than it may first appear.

First, average CPLs and CPAs vary dramatically according to company and industry models. For example, small companies average just \$32 a lead, \$4 less than industry averages. This data makes sense, given the generally lower overhead and capital that small firms spend on lead generation activities.

Similarly, B2C firms’ shorter sales cycles produce dramatically lower overall CPAs and CPLs than do B2B lead generation activities – with an average of just \$15 for each new lead and \$149 for each new customer.

Marketers can also make strategic changes to improve their overall lead generation costs. For example, the chart below shows the total lead conversion rates in the past year for enterprise-level companies that do and do not formalize their marketing-sales handoffs. As you can see, enterprise

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

companies with defined marketing-sales lead handoff strategies reduce their average cost per customer by \$197.

(Note: This chart includes those who spent \$0 on marketing in 2013, which skews the average data slightly.)

With all this data to push around, it's easy to see how marketers can get lost in the weeds when trying to report their ROI numbers.

3. Where do we get leads? Inbound vs. outbound lead sources and costs

In order to understand marketers' lead generation effectiveness, we first need to look at where they get those leads.

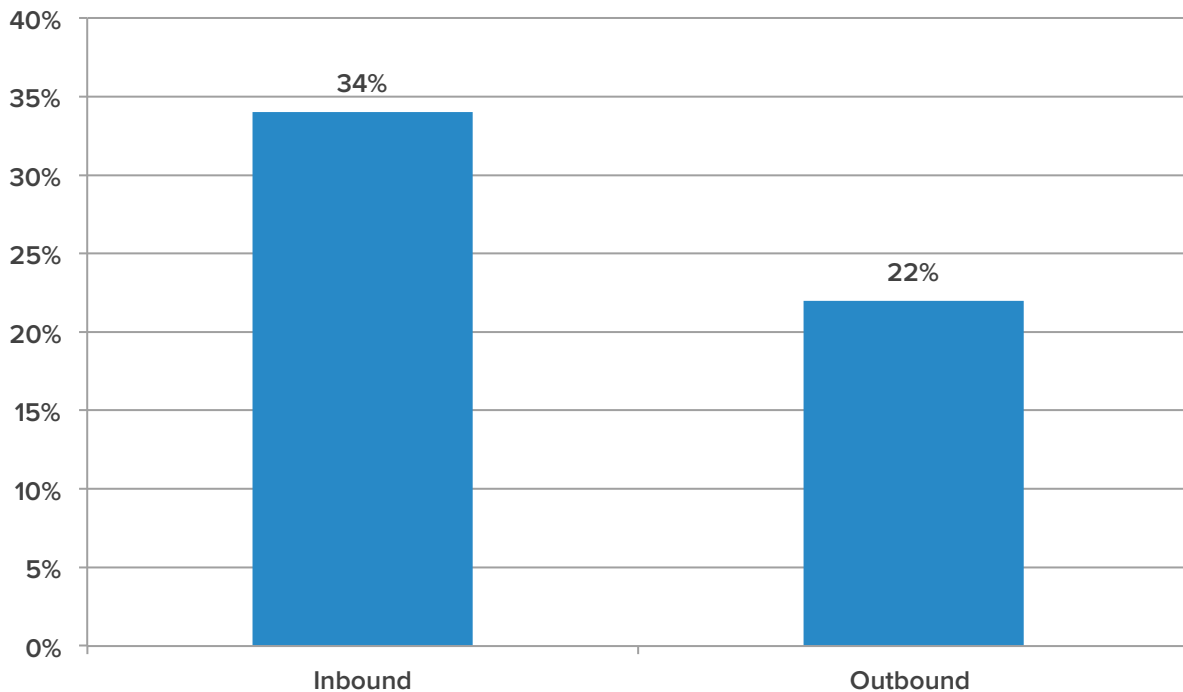
This starts at the top of the funnel with marketer's primary lead sources. To find out which channels produced the most total leads for marketers in 2013, we asked them to identify what percent of their company's total leads came from each of the major channels.

Our survey found that 34% of all the leads marketers generate in 2013 come from inbound marketing sources. In fact, inbound marketing delivers 54% more leads into the marketing funnel than traditional outbound leads.

Q: What percentage of your company's leads come from each of the following sources?

Marketers Report Inbound Marketing Generates More Leads

Inbound delivers 54% more leads in the 2013 marketing funnel than outbound sources



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

As you can see in the Chapter Two Appendix, the top channels for lead generation include social media and SEO, each contributing 14% of marketers' total pipeline in 2013. The more mature email marketing channel rounded out the top three lead gen sources, producing 13% of all leads.

At the other end of the spectrum, telemarketing, traditional advertising, and PPC will deliver the least amount of leads for marketers this year, with just 6% of leads originating from each of these categories.

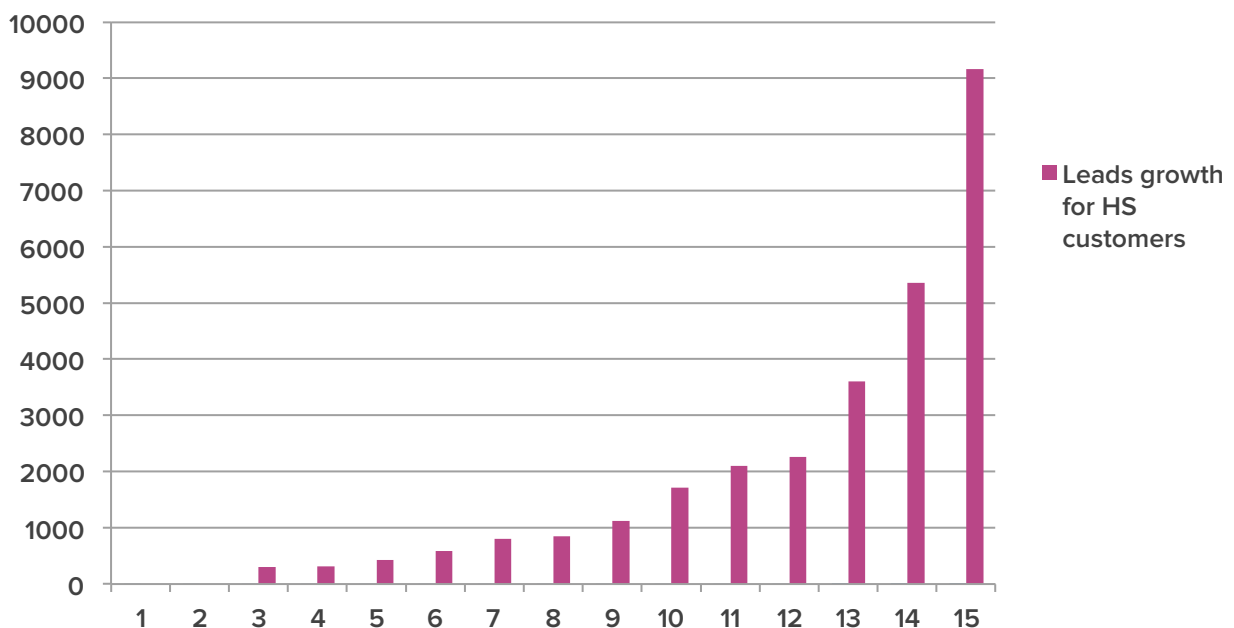
Inbound Methods Deliver on Lead Volume

To further validate these survey results, we looked at HubSpot customers' actual lead volumes over time to see if they produced the same lead successes. In fact, HubSpot customers have witnessed exponential lead growth after adopting inbound marketing strategies. Customers with a base of 300 leads before implementing HubSpot software grew their total average prospect list to more than 9,100 leads in just one and a half years.

Q: Did inbound marketing demonstrate ROI for your company?

HubSpot Customers Enjoy Exponential Lead Growth

Customers average over 9,100 leads after 1.5 years of inbound marketing



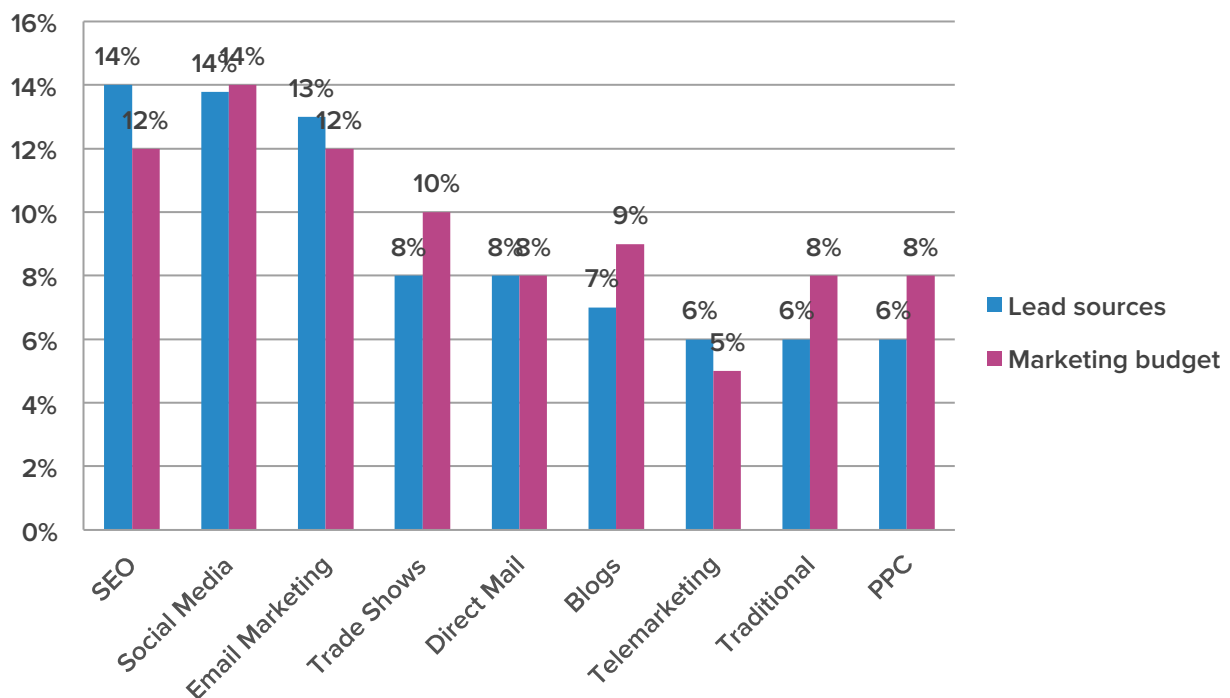
2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Inbound marketing's ability to produce this volume of leads is likely the main reason so many marketers are increasing their inbound budgets this year. Certainly, marketers continue to focus their lead gen budgets (shown in the chart below) on the ones that produce the most marketing leads, specifically social media and SEO. The chart below also shows, however, that marketers are allocating the lion's share of their lead generation budgets to those channels that deliver the most marketing leads, including social media and SEO.

Q: What percentage of your company's leads come from each of the following sources?

Marketing Spending Closely Tracks Lead Generation Rates

Social media, SEO top both lead sources and 2013 budget allocations



It's interesting to note that marketers continue to allocate budget share to some tactics that actually generate lower-than-average lead volumes, such as PPC, traditional advertising and direct mail channels. This is probably a legacy of older business budget and forecasting models and the

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

lack of C-suite buy-in on the inbound “vision,” which we discussed in Chapter One. We expect these budget allocations to reduce over time as inbound’s ROI becomes more transparent.

One outlier in this chart is the differential between blogging’s budget outlay and total lead generation. As a key source of thought leadership content, blogging is one of the cornerstones of successful inbound strategies, which is why 67% of marketers produced a blog last year.

Admittedly, blogging can be somewhat time-intensive, and requires it some upfront investment of resources to create your blogging platform. This is usually a relatively minor investment when compared with enterprise-level email delivery or sales forecasting technology, for example.

As we discussed earlier in this chapter, successful blogging is one of the leading indicators of effective inbound marketing execution – 79% of companies who have a blog reported a positive ROI for inbound marketing this year, compared with just 20% of those companies who did not have a blog. This difference between total lead sources and marketers’ blogging investment is likely a result of two issues: companies who are just beginning their blogging journey and have yet to build a loyal following and firms that technically “have” a blog but haven’t committed any resources toward delivering strong content.

Why Inbound Will Continue to Grow

As we mentioned in the introduction to this report, we are in the midst of an industry-wide shift away from traditional marketing techniques, which are simply not working in today’s digital business world - The advent of Do Not Call Lists, email spam filters and DVR devices all mean that customers have become much better at tuning out those messages they don’t want to hear. As a result, traditional methods to source leads and customers have all but dried up, generating just 22% of all leads in 2013.

With old marketing tools and techniques no longer working, marketers had to turn to inbound marketing to support their business goals. We know that marketers continue to face a learning curve because inbound practices such as content development and search engine optimization flex different marketing muscles than writing traditional ad copy or shaking hands at a conference.

The good news is that once marketers adopt the technologies and master the skills required to execute inbound marketing, these techniques are vastly more effective than outbound strategies, as we will see later in this chapter.

4. What is a lead worth? Marketers rate average costs per lead

Because prospects and leads come in all shapes and sizes, it's also valuable to look at relative lead costs in order to determine what a lead is really "worth" in 2013.

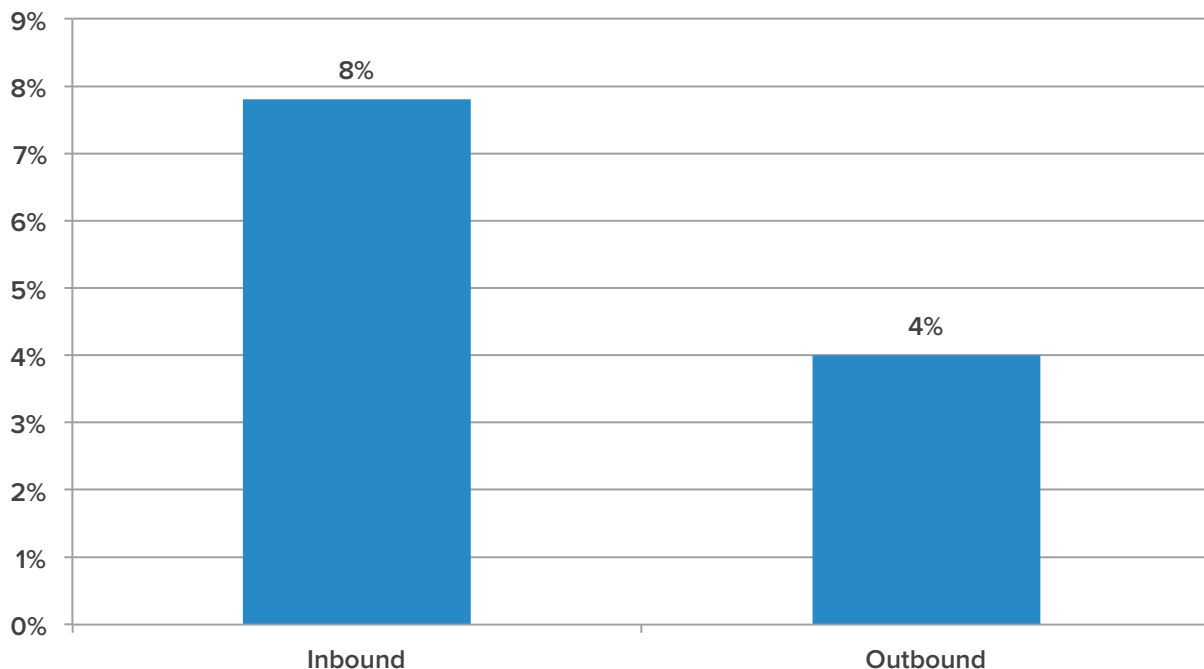
To identify which lead gen strategies deliver the lowest relative costs, we asked marketers to estimate their average cost per lead vs. to their total CPLs to see how inbound marketing strategies fared.

As you can see in the chart below, twice as many marketers say inbound marketing delivers below average costs per lead in comparison with outbound strategies.

Q: To the best of your ability, please write in your average cost per lead.

Inbound Delivers Below Average CPL

Marketers' 50% more likely to see below average inbound CPL vs. outbound



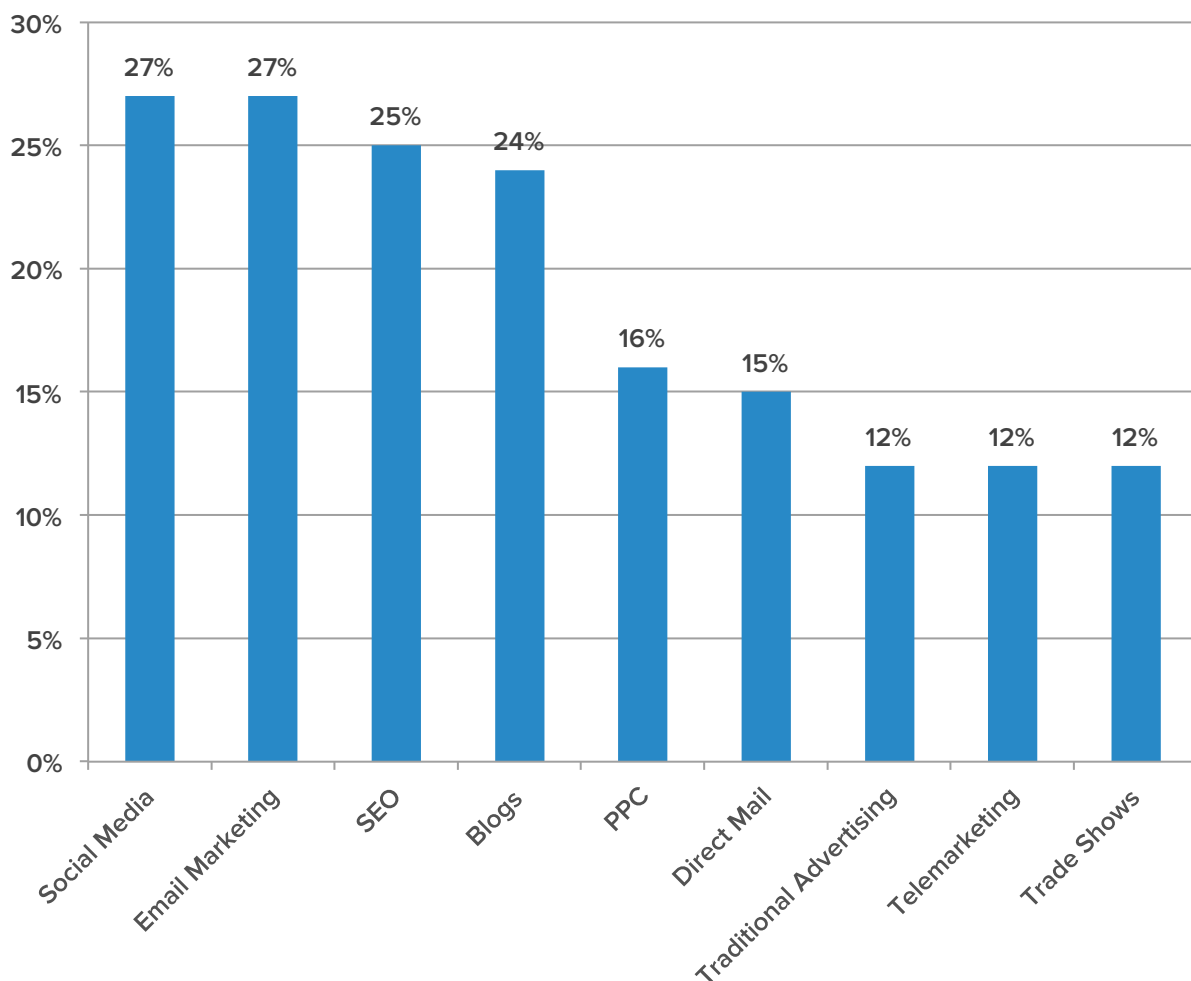
For specific channels, the chart below shows 27% of marketers report that both social media and email marketing produce the lowest total average lead costs, followed by SEO with 25% of all low-cost rated leads.

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Q: Please estimate your company's cost per lead for each of the channels listed below vs. your overall average cost per lead.

Social Media, Email Deliver Lower Average CPLs

27% of marketers report below average CPLs for both email and social media



Trade shows account for the highest above average CPLs of all lead sources. Shown in the Chapter Two Appendix, 16% of marketers cite industry conferences as the most expensive channel for sourcing leads.

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Average lead costs vary by business model. As we saw earlier in this chapter, B2B companies experience higher overall average CPLs than their B2C peers. As a result, they are also more likely to report that inbound marketing tactics, such as SEO and social media, lower their overall lead sourcing expenses – though 27% of B2B marketers indicate that email also produces below average lead costs, signaling the continued health of that channel among business-centric companies.

Marketers report a significant price disparity by industry. Among companies reporting above average lead costs, you can see in the Chapter Two Appendix that technology firms affirm trade shows have a very high comparative CPL compared with other business models. Technology companies looking for low-cost leads would probably do well to avoid their booths.

Some Marketers Split on Social Media, SEO Lead Costs

While the overall lead pricing for both social media and SEO is extremely positive, some marketers also indicate that these channels generate above average lead costs. Shown in the appendix, 14% of marketers produce above average lead costs from others' favorite channels.

What does this mean? Realistically, it shows the nuances of this evolving inbound marketing industry, which is much more complex than a simple data point. While overall, marketers indicate that inbound marketing delivers twice as many low-cost leads as outbound marketing, some practitioners still struggle to make their inbound numbers work.

Increasing business efficiency means streamlining the tools marketers use to execute their inbound marketing strategies. For example, to lower costs and improve efficiency, marketers could opt for one end-to-end software tracking solution rather than purchasing separate blogging software, email nurturing service providers, and social media listening tools.

5. What are the best leads? Lead conversion rates by channel

While cost per lead is a leading indicator of how marketers are filling the sales funnel, even the largest funnel in the world won't help your business unless it delivers customers. The next important question then becomes, how well do leads convert into actual sales?

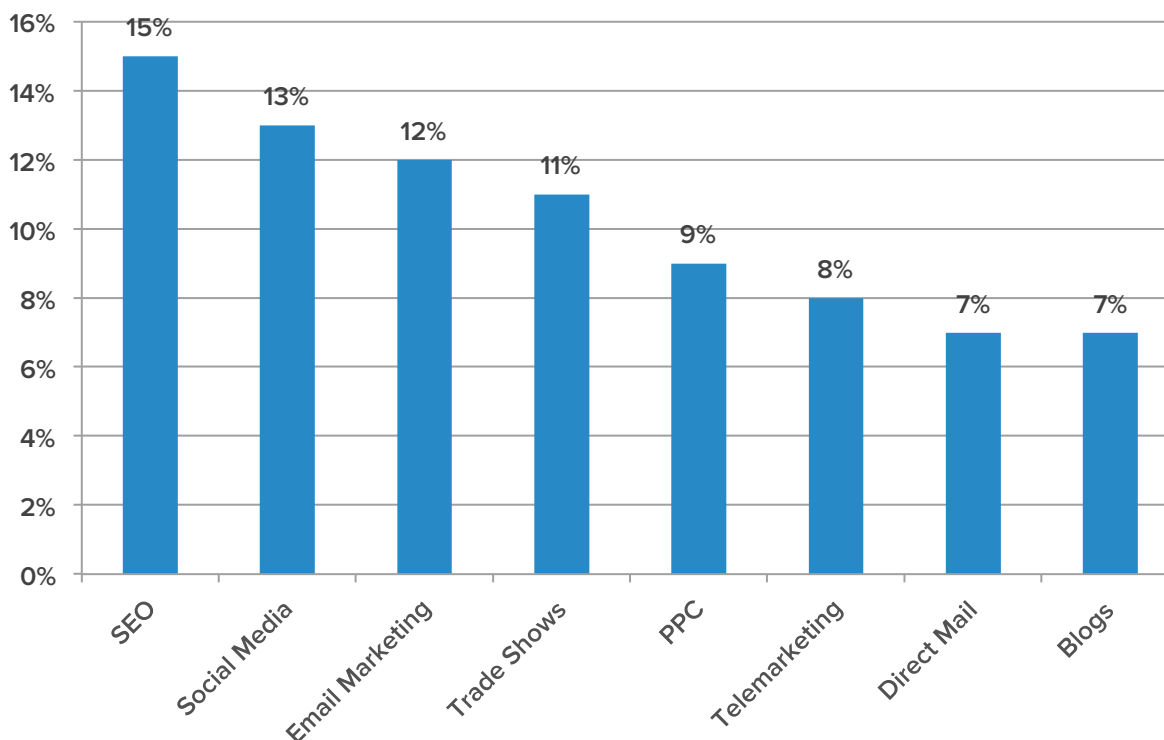
To find out the comparative rates at which marketing channels sent leads to sales, we asked marketers to look at their total lead conversion and tell us the average percentage of leads converted to sales by channel.

According to marketers, for 2013, SEO and social media continue to lead inbound marketing conversion rates, netting 15% and 13% above the average conversion rates in 2013.

Q: What is the average percentage of leads your company converts to sales

Social Media, Search Net Above Average Lead Conversion

15% of marketers say SEO delivers above-average sales conversions



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

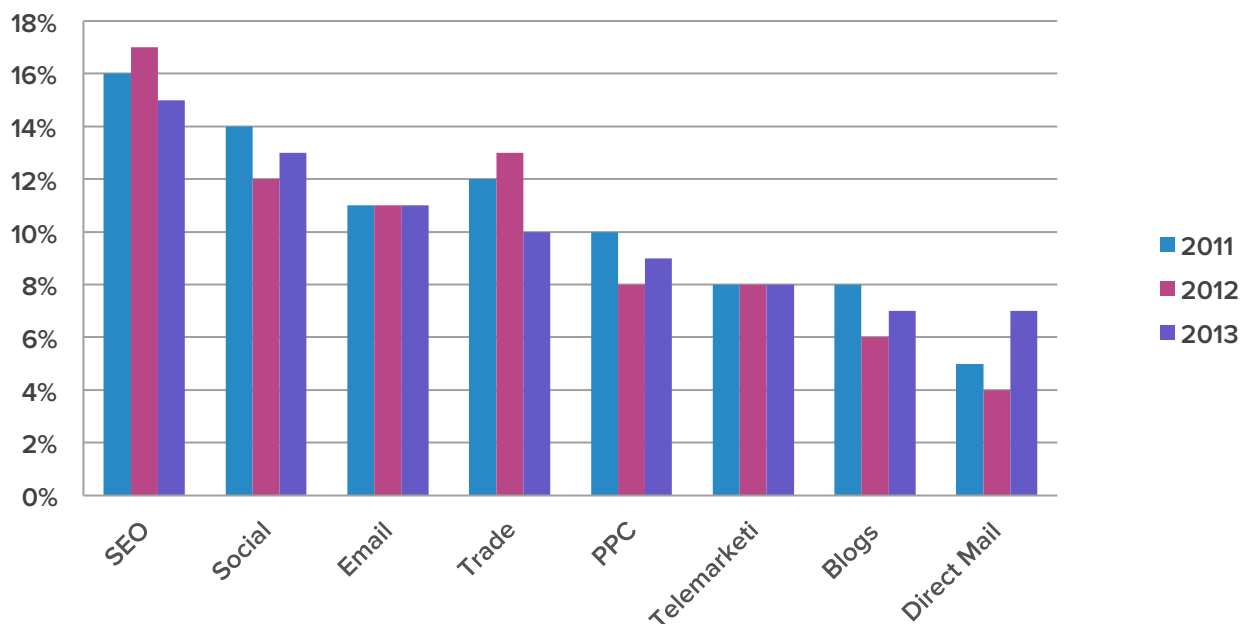
The 7% blog conversion rate is a little misleading. While a blog is considered a standalone channel, the social media conversion rate includes multiple sources, including Facebook, Twitter, and LinkedIn, among others. As we will see in next section, blogs in fact produced a new customer for 43% of marketers last year – no small feat.

Because of its ability to specifically target an audience, we would expect PPC to continue to convert leads at relatively high rate. The challenge for PPC marketers is not their ability to pull in an audience but their ability to control costs. As Google AdWords became more popular, keyword prices exploded, making it difficult for smaller businesses to effectively compete to control their paid ad spending. In contrast, once marketers develop an effective threshold of content, inbound marketing – which pulls an audience to you via organic search – is both more scalable and more cost-effective.

Q: What percentage of your company's leads generated in the channels listed below convert to sales vs. your total lead conversion?

SEO Produces Solid Annual Lead Conversions

15% of SEO, 13% of social media leads converted at above-average rates in 2013



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Shown in the appendix, agency firms seem to have mastered social media conversions, with 17% of agencies reporting above average social exchanges in 2013, which is 41% better than the rest of the industry.

Defining Email Leads

As we discussed in the Introduction, deployed as part of an opt-in nurturing strategy, email marketing is evolving to incorporate the inbound marketing methodology. As a consequence, some of the 27% of low-cost email leads marketers produced this year were generated using inbound techniques –making it slightly difficult to clearly bucket low-cost leads.

Our research shows quite a bit of evidence that email is growing more inbound over time. Last year, only 27% of marketers bought an email list – meaning, presumably, that the remaining two-thirds of marketers generated their email lists organically via inbound techniques.

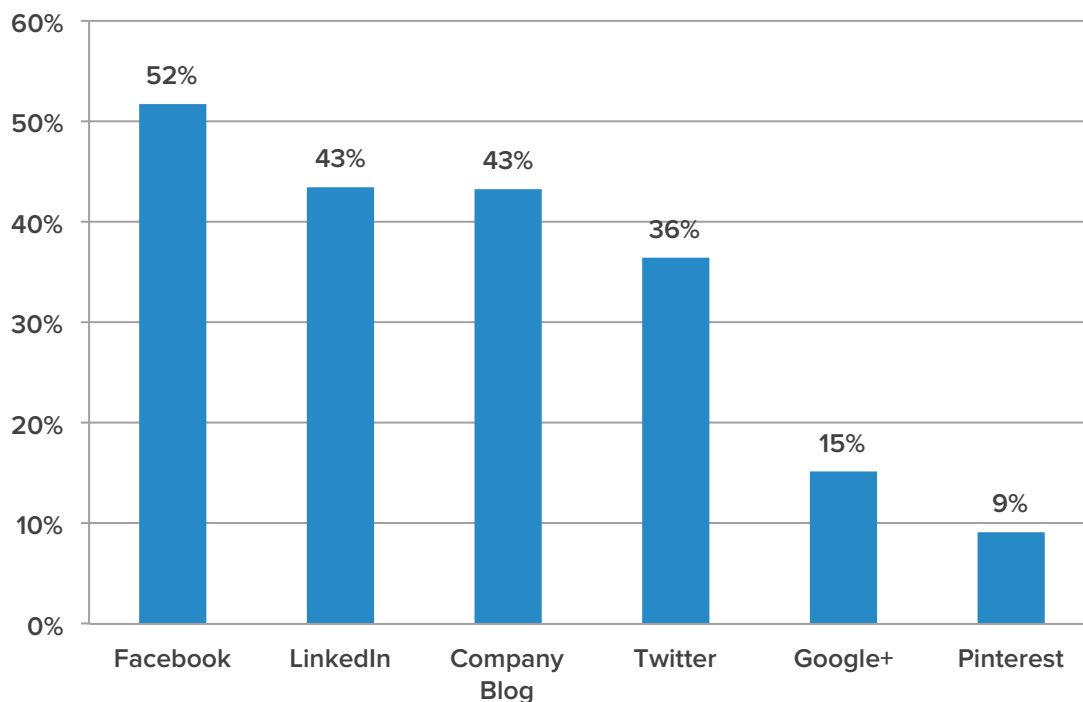
6. Where do customers come from? Customer acquisition rates by channel

Closing out our analysis of lead generation, the final step is to drill down on the top social media platforms that delivered customers in 2013.

Because social media delivers 14% of all leads and 13% of all customers – and is one of the most “famous” lead generation sources – we wanted to identify which specific channels produce customers in 2013. To that end, we asked marketers if their company acquired a lead from any of the top social media channels. For comparison’s sake, we also included customers generated by the company blog.

Q: Has your company ever acquired a customer using a lead from the following sources?

Facebook Top Channel to Acquire a Customer
52% of all marketers found a customer via Facebook in 2013



As you can see in the chart above, Facebook leads social media customer sources; more than 52% of marketers will find a customer on Facebook this year. The company blog and LinkedIn tie for second place, with 43% of marketers breeding customers in each of these respective channels. Twitter also records strong customer delivery potential, with more than 36% of marketers

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

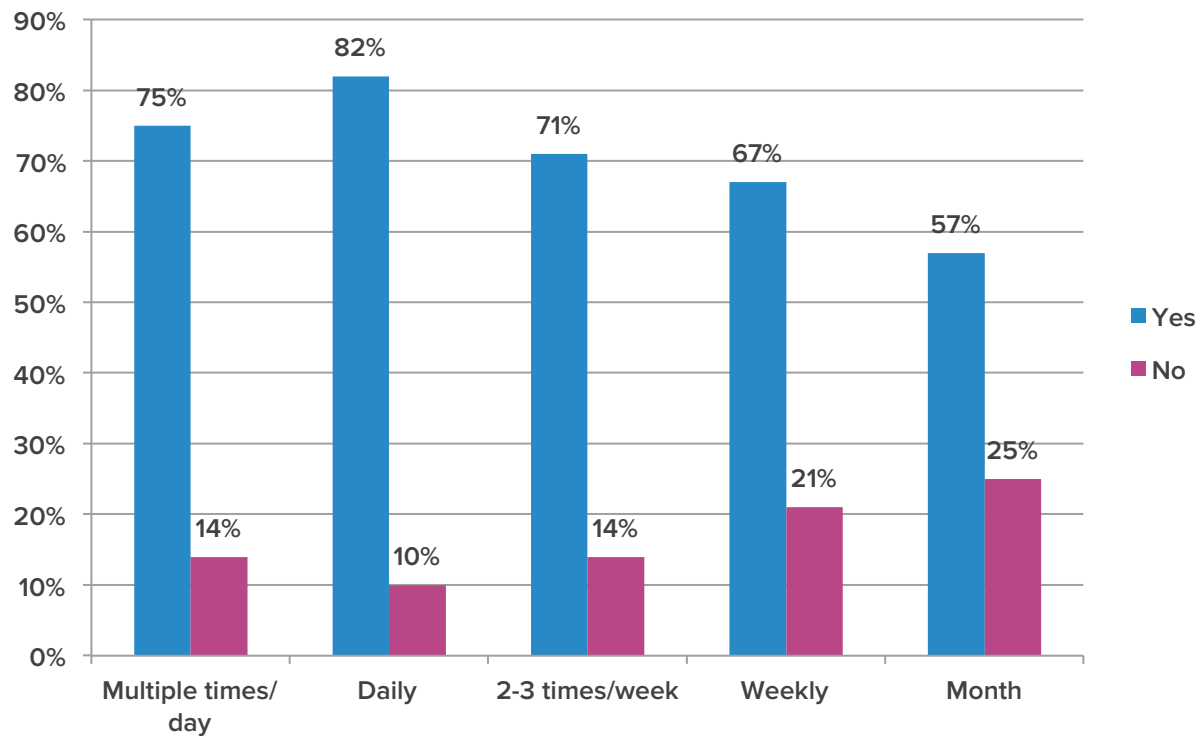
producing a customer by regularly tweeting this year. Rounding out the social media customer resources are Google+, with 15% of marketers finding a customer on this relatively new channel, and 9% of Pinterest fans identifying a customer via pin boards.

Blog Success Requires Dedication

The frequency with which marketers execute their social media strategies has a major impact on how likely it is they will acquire a customer in that channel. This is most prevalent in our blog data. As we covered in the last section, the more regularly you commit to blogging, the better your chance you have of finding a customer there. In fact, 82% of marketers who blog on a daily basis acquire a customer using their blog, as opposed to 57% of marketers who just blog monthly – still an impressive statistic!

Consistent Blogging Boosts Inbound ROI

82% of marketers who blog daily report positive ROI for overall inbound efforts

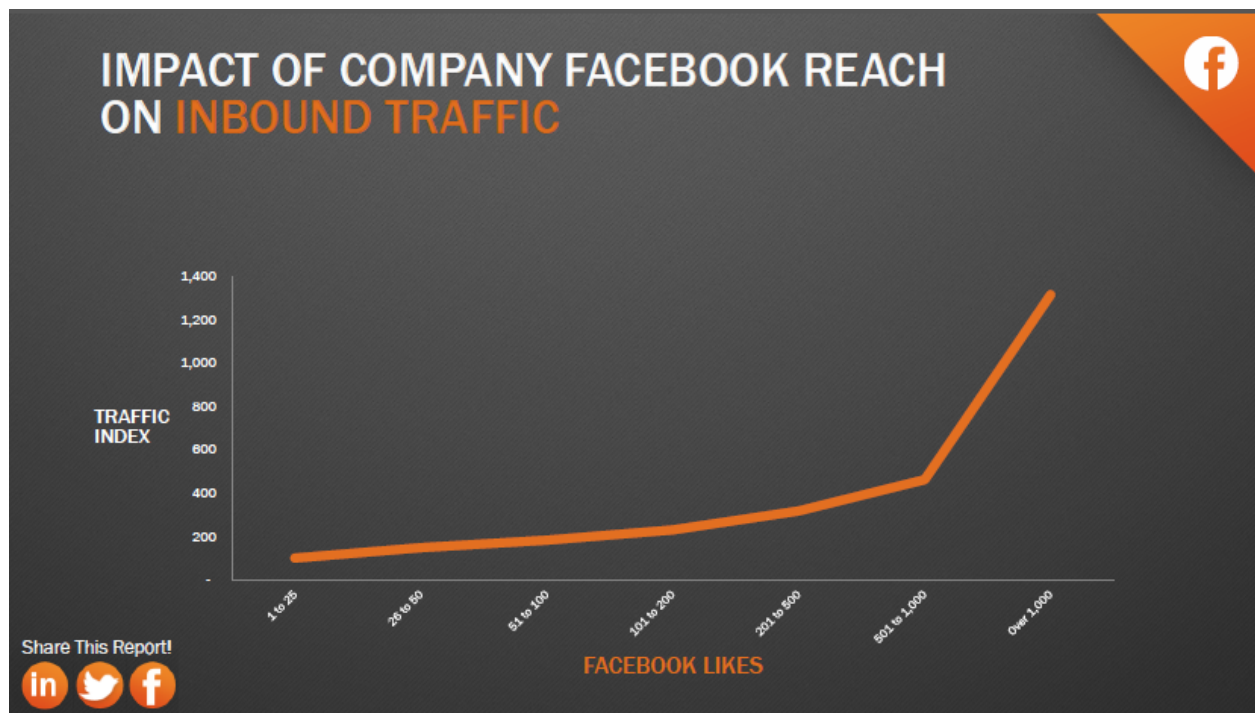


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The Social Media Magnifier Effect

Though it is arguably their most important function, social media platforms are not just good for producing new customers. Social media outreach also has a multiplier effect on your overall website reach.

The best way to understand this social media magnification is to imagine a hub-and-spoke model of digital marketing to explain how leads are funneled from satellite channels, such as the blog or social media platforms, to your website. Once you draw traffic to your company site, you can then design a conversion process aimed at delivering on your final conversion goal. Social media is one of the critical “spokes” in this hub-and-spoke architecture. (We will cover more about website conversion in Chapter Three.)



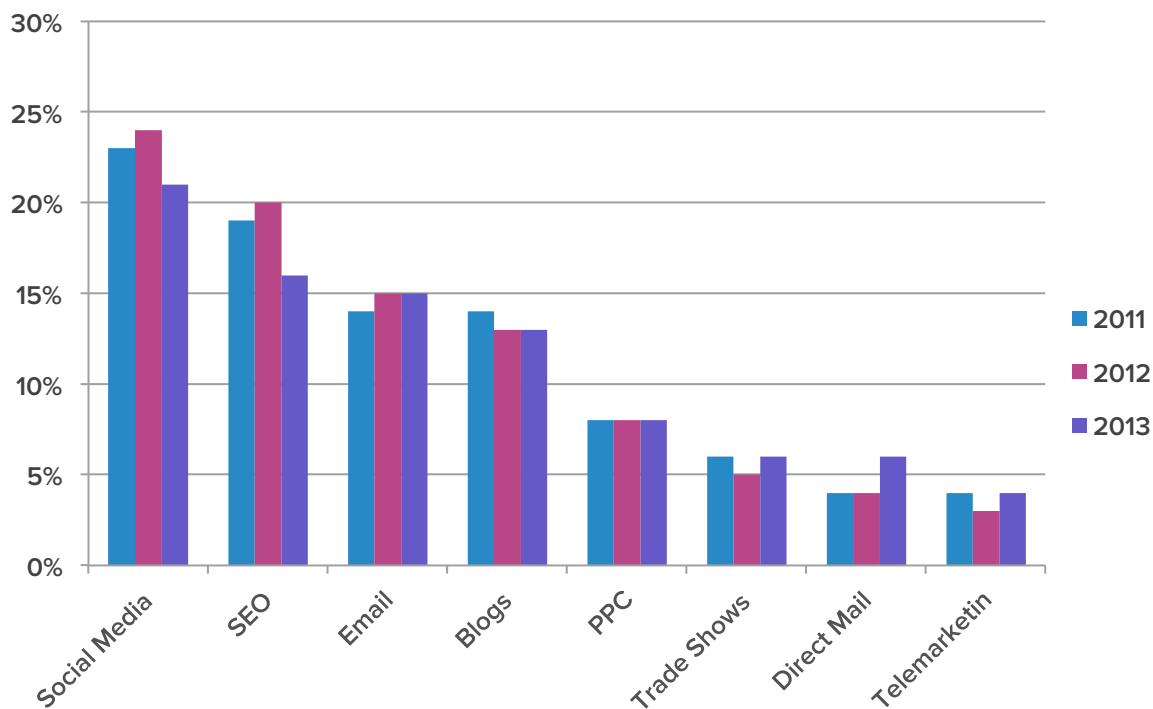
Not only does regular social media engagement generate direct leads, it increases website traffic. As you can see in our customer data, companies that generate more than 1,000 Facebook likes also enjoy nearly 1,400 website visits a day. Similarly, as you can see in the appendix data, HubSpot customers with over 1,000 Twitter followers generate more than 800 new website visitors a month.

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Q: Which sources of leads have become MORE important to your company over the last 6 months?

Social Media, SEO Channels Become More Critical in 2013

21% say social media grew more important in the past six months



Given this data, it's easy to see why 21% of marketers report that social media has become more important to their company over the past six months, whereas 17% of marketers (shown in the Chapter Two Appendix) indicate that traditional marketing has become less important over the past six months.

7. What will marketers spend on inbound this year? Tracking 2013 inbound marketing budgets



All of 2012 was inbound marketing, too – we just have more budget in 2013.

- Marketer insight

2013 State of Inbound Marketing Survey



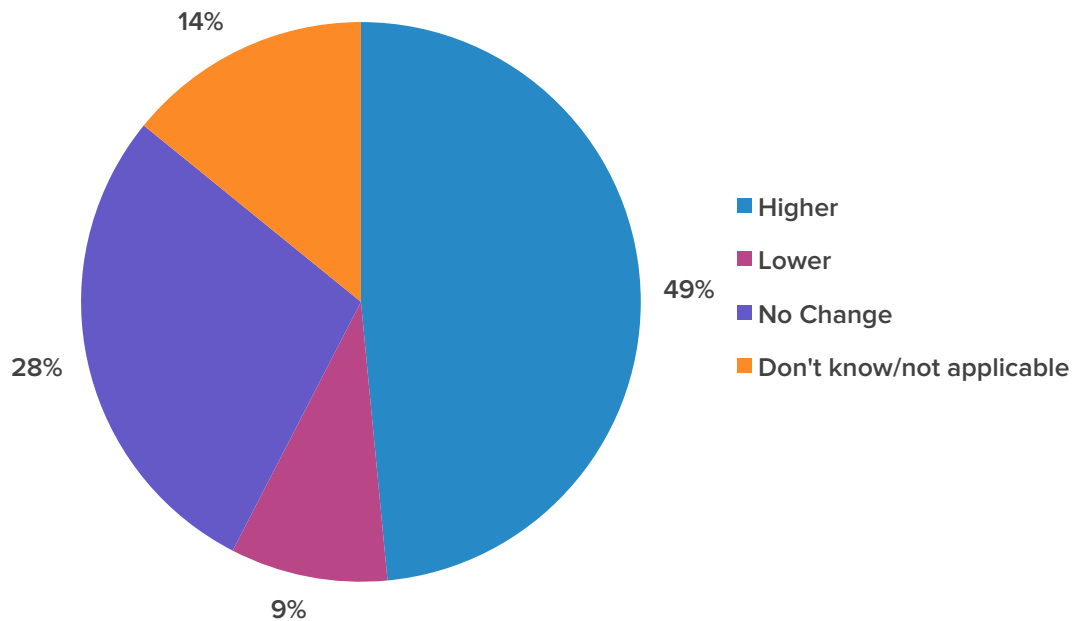
While overall budget growth has flattened slightly, we are still in a major inbound marketing budget growth spurt. As the industry matures and inbound marketing takes up a larger proportion of marketers' overall budgets, we would expect growth to slow a bit – which is why there's a slight uptick this year. Even more encouraging is why budgets are rising. Forty-one percent of marketers increased their budgets this year as a result of past success of inbound strategy.

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Q: Specific to inbound marketing, how does your company's 2013 budget compare to the 2012 budget?

Inbound Marketing Budgets on the Rise

Nearly 50% of marketers increased their inbound budgets for 2013

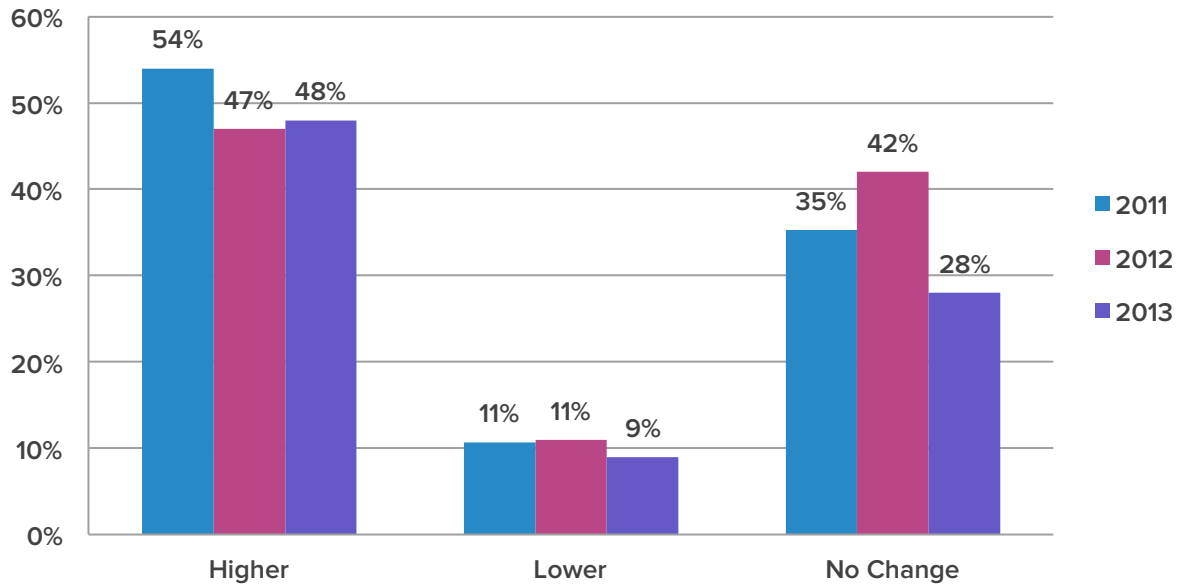


While overall budget growth has flattened slightly, we are still in a major inbound marketing budget growth spurt. As the industry matures and inbound marketing takes up a larger proportion of marketers' overall budgets, we would expect growth to slow a bit – which is why there's a slight uptick this year. Even more encouraging is why budgets are rising. Forty-one percent of marketers increased their budgets this year as a result of past success of inbound strategy.

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Q: Specific to inbound marketing, how does your company's 2013 budget compare to the 2012 budget?

Annual Inbound Marketing Budget Growth Remains Strong 48% of marketers increased their 2013 budget



Looking at annual budgets, it's an exciting time to be an inbound marketer, as the industry is clearly enjoying a funding growth spurt – nearly half of all companies increased their inbound budgets in each of the past three years.

Looking into our segment information, 53% of CEOs and CMOs increased their 2013 inbound marketing budgets, which outpaces even the strong average industry growth.

Oddly, large companies fall behind the growth in inbound, despite having the most to gain by inbound marketing given their already high overhead. Just 41% of firms with more than 200 people grew their inbound marketing budgets this year – a rate 17% lower than their peers.

One potential hazard to all this inbound growth is the ROI analytics shadow hanging over some new inbound marketing heads. The dynamic pace of inbound growth means more and more resources have been allocated to inbound strategies. However, it also means that marketers need

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

to tie up all their analytics loose ends. If executives do not see clear results linked to inbound ROI – which will admittedly be difficult for the 33% of marketers who are unable to calculate inbound ROI this year – budgets will inevitably drop off in the coming years.

8. How do inbound budgets measure up? Inbound vs. outbound budgets

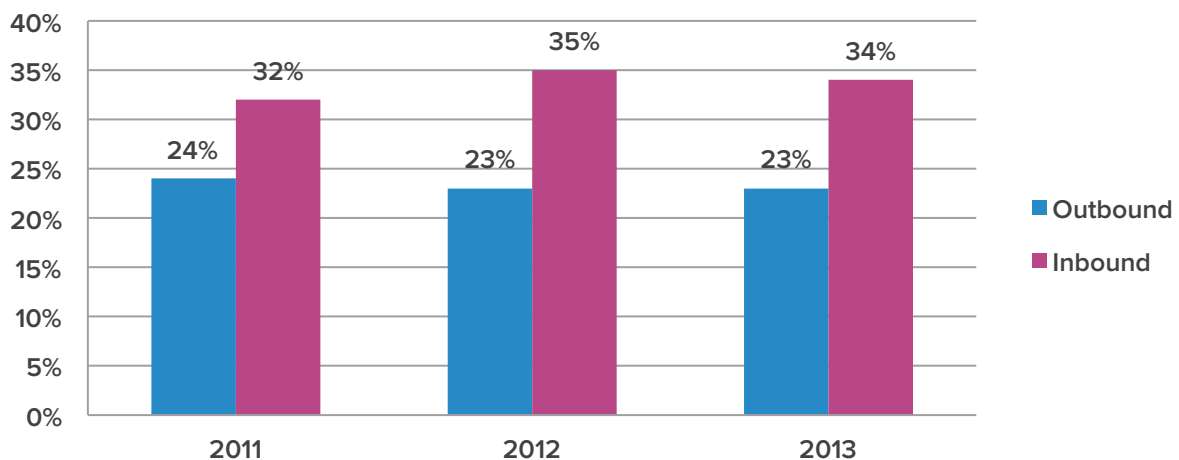
Keeping with this financial exploration, we also wanted to assess how marketers are allocating their inbound budgets vs. their outbound budgets.

We asked marketers to detail their average expenditures by channel. From there, we compared these spending trends for inbound marketing tactics – such as blogging, social media, and SEO – with the average spending for traditionally outbound tactics – such as trade shows, direct mail, telemarketing, and, this year, traditional advertising.

For the last several years, marketing budgets saw inbound spending significantly outpacing outbound budgets, with the gap between inbound and outbound spending growing 33% in 2012. This year, the inbound vs. outbound delta remained relatively consistent. Today, marketers allocate 34% of their overall budgets to inbound tactics – 11% more than they dedicate to outbound strategies, such as banners, PPC, and other tactics.

Q: Specific to inbound marketing, how does your company's 2013 budget compare to the 2012 budget?

Inbound Marketing Budget Growth Remains Strong
Marketers allocate 34% of overall budgets to inbound tactics



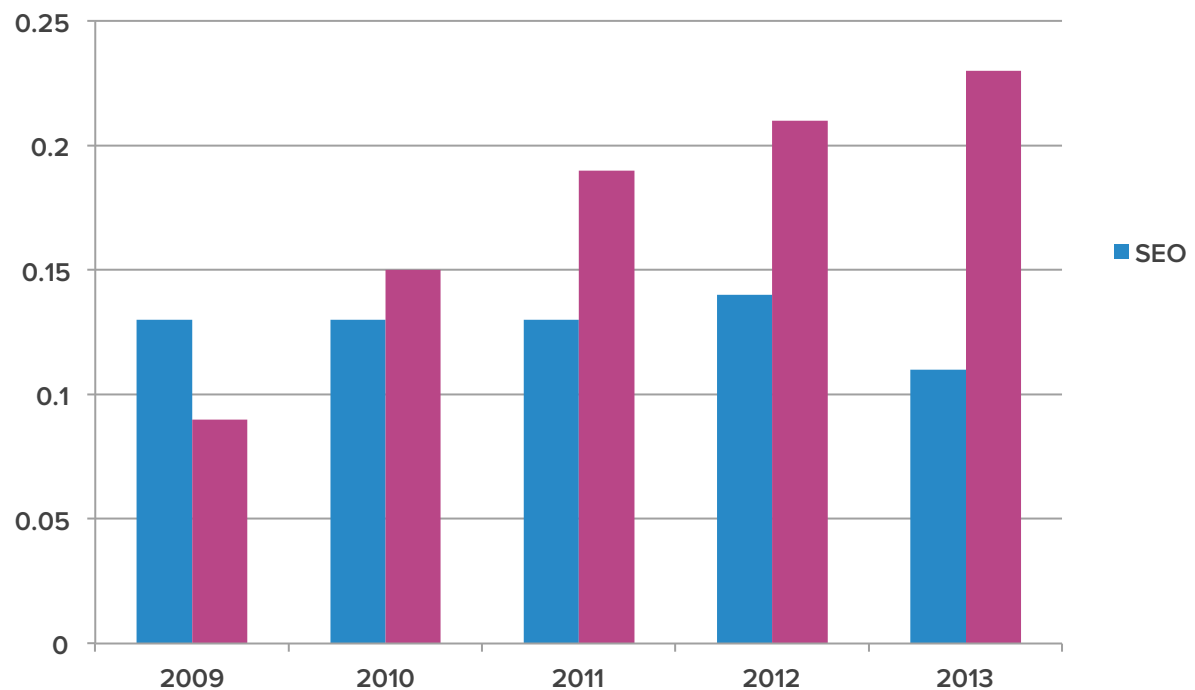
2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Similarly, the chart below shows inbound marketing budgets over the past five years, teased out by primary channel. You can see that blogging and social media have enjoyed consistently strong annual growth, with 23% of marketers investing in these channels this year, a 9% increase from 2012.

Q: Specific to inbound marketing, how does your company's 2013 budget compare to the 2012 budget?

Blogs, Social Media Lead Inbound Marketing Outlays

Marketers Spend 23% of overall budgets on blogging and social media



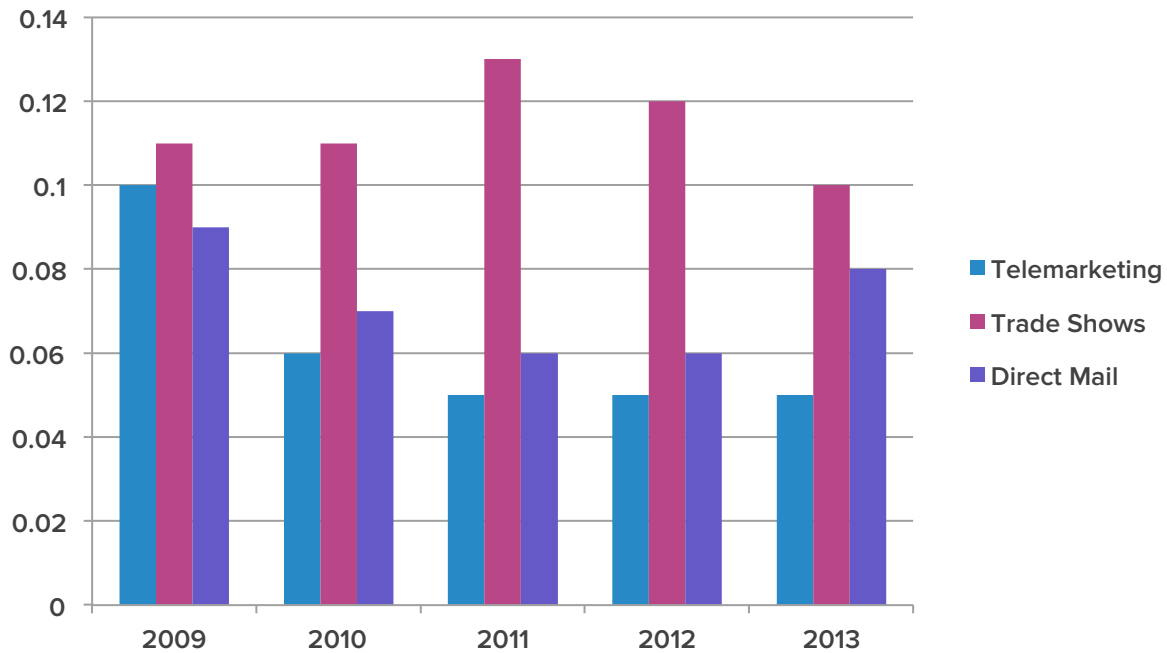
Interestingly, after four straight years of relatively consistent SEO outlays, search engine allocations dropped 3% this year to 11% of marketers' overall budgets. Again, this decline is likely attributed to marketers allocating more resources to developing quality content, rather than a dramatic decline in focus on SEO. In fact, as we discussed earlier, SEO is one of the top lead generation sources, with 25% of marketers finding the channel produces below average CPLs this year.

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Q: Specific to inbound marketing, how does your company's 2013 budget compare to the 2012 budget?

Outbound Budgets Shrinking

Marketers spend less than 1/3 of total budgets on outbound lead gen



The chart below depicts outbound spending for just trade shows, direct mail, and telemarketing since 2009. As you can see, outbound budgets continue their annual decline, amounting to just 23% of all marketing spending in 2013.

9. What influences budget strategy? Factors swaying 2013 budget changes



We want to move where the market is going, not just where it has been.

- Marketer insight

2013 State of Inbound Marketing Survey

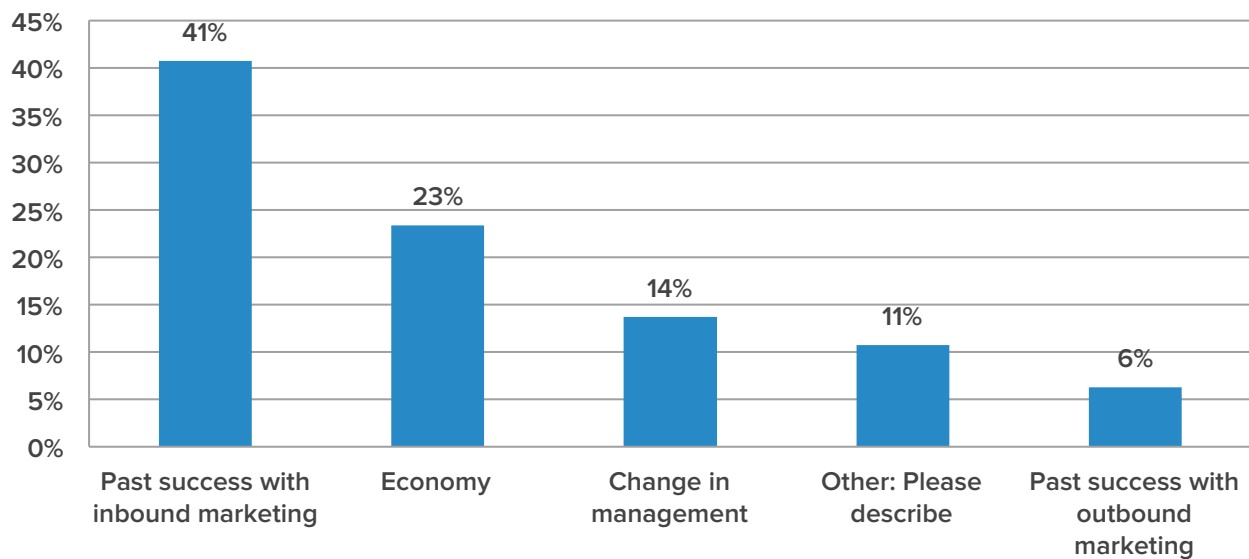


While reviewing pure budget numbers offers a lot of insight, we also wanted to hear the reasons behind marketers' budget changes. So we asked marketers what drove their decisions to change their 2013 budget from last years' levels.

Q: What drove the decision to change your 2013 inbound marketing budget from the 2012 budget?

Past Inbound Marketing Success Determining Factor for 2013 Budget Adjustments

Inbound's proven success was the primacy rationale for 41% of 2013 budget changes



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

The survey results show that inbound produced a lot of marketing champions in the past year. In fact, 41% of all marketers who changed their budgets last year did so because of past success with inbound marketing. Another 23% of companies cite the economy for budget adjustments, and 14% indicate their budgets shifted because of a change in management.

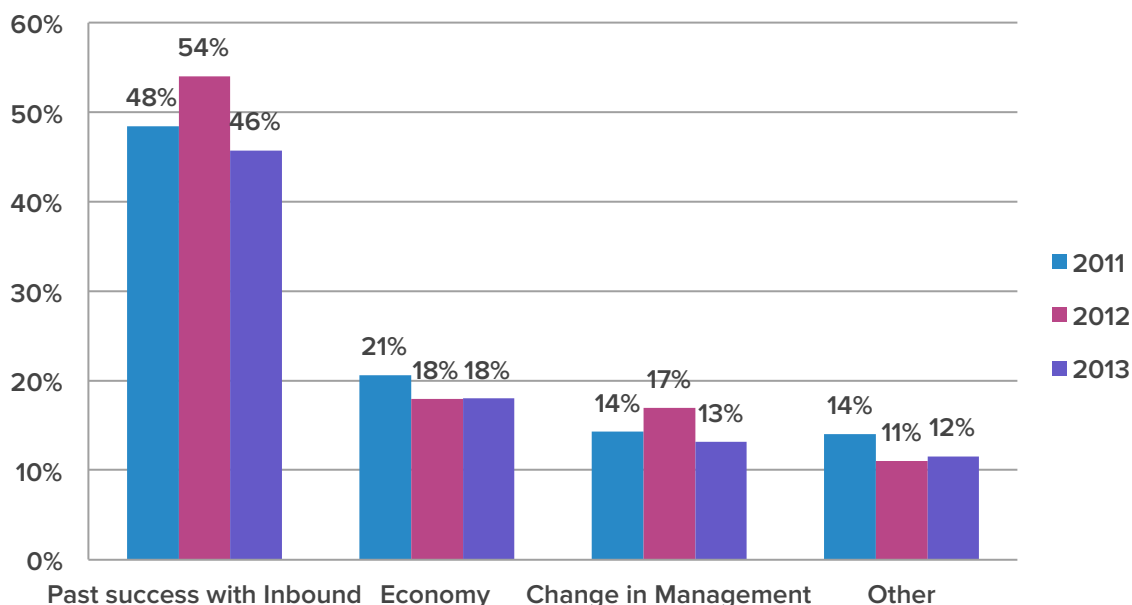
The chart below depicts the top four reasons why marketers increased their budgets year-to-year. As you can see, past success at inbound marketing continues to dramatically outpace any other rationale – in fact, inbound success is a full 150% more likely to drive inbound budget increases than improvements in the economy, at 23% of all justifications.

While past success is clearly driving more inbound investment, this rate is a dramatic 20% lower than last year. Tripling our respondent pool seems to have increased the pool of marketers confused by inbound budgeting, because we had many more “don’t know” responses this year than in previous survey editions.

Q: What drove the decision to change your 2013 inbound marketing budget from the 2012 budget?

Inbound Success Continues to Drive 2013 Budget Increases

While slowing, Inbound success continues to drive budget increases year-to-year



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Further cementing the decline of outbound marketing strategies, only 6% of marketers report success with outbound as the reason they changed their budget in 2013.

Signaling a slight positive turn for long-term business futures, while 54% of marketers blame the economy as a key reason to reduce their inbound budgets, this was a 9% drop from last year, when 62% of marketers decreased budget spending based on outside pressures, which was itself an improvement over 67% in 2011.

Looking at budget ratings by business model, success with inbound marketing nets a significant boost among B2B firms, with 45% indicating positive ROI as the reason to grow their inbound budgets. Conversely, the economy nets a more sizeable impact on B2C spending, with nearly one-third indicating the changing economic environment was the primary driver for budget changes in 2013.

10. What numbers to track? Evaluating inbound marketing data

Finally, to accurately determine if inbound marketing is worth the effort, we need to understand how marketers are measuring their success.

Digital marketing has been a boon for data-driven marketers because everything we do online can be measured. As a consequence, marketers have become more accountable for justifying their results. At HubSpot, we measure our success against monthly leads goals on a daily basis. However, as we have seen in our survey data, 34% of marketers still struggle to prove the ROI of their inbound activities.

At the heart of this problem could be the sheer volume of metrics that are now measurable via inbound marketing analytics. Buried in data reports, some marketers may be hard pressed to pinpoint which data and reporting will build their credibility and which metrics don't really matter to their CEO and CFOs. Telling your board your burning desire to improve your brand awareness – without linking that awareness to a concrete data point – is likely to be met with blank stares at your next quarterly meeting.

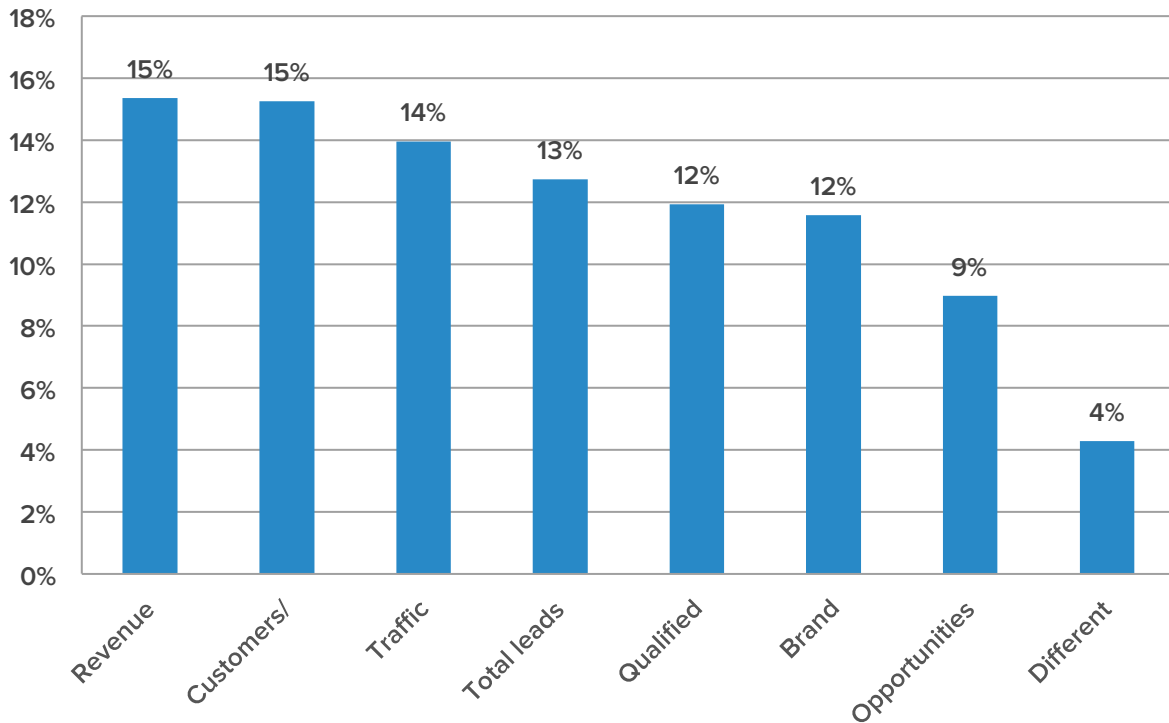
Mike Roberge, HubSpot's head of sales, recommended that we ask marketers how they evaluate their success, to see how well it aligned with sales' metrics. This netted some interesting results.

Some marketers are clearly dedicated to tracking the "hard numbers" that matter to executives. As you can see in the chart below, 15% of marketers tie their inbound results directly to either company revenue or customers/wins generated. Similarly, total leads generated and qualified leads generated produced another 13% and 12% of success metrics, respectively.

Q: How is your marketing team's success evaluated?

Revenue, Customers Key Inbound Marketing Metrics

15% of marketers track revenue or wins, followed by traffic and leads



This kind of flat bar chart – with no clear winner and many equally weighted data points – tells a story of industry-wide confusion over what data measurements really matter when tracking inbound marketing. Industry-wide, marketers seem to have extremely disparate methods of measuring their achievements, including the 4% of marketers who note that different stakeholders measure success based on different data points.

This lack of one easy-to-cite data point for proof that inbound marketing is “working” is probably a major factor influencing the 34% of marketers who can’t measure their inbound ROI this year.

Predictably, executive respondents to our survey focus more on numbers that directly impact ROI, including 17% who measure revenue, and 16% who look at customers or wins. Want to get ready for

2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

the next meeting with your executive team? Make sure you know how much your inbound marketing efforts have contributed to your company's overall revenue.

Total customers and wins slightly outpace revenue as the top achievement measurement among international inbound marketers. While they both net 15% of the population, slightly more international marketers rely on total customers than final revenue numbers.

Looking at analytics by industry shows a wide array of tracking goals, with retail and nonprofit companies highlighting site traffic and marketing agencies paying closer attention to customer acquisitions.

Again, these disparities point to general confusion as to what is the correct top metric. One write-in comment effectively captured the industry's confusion over what data points really matter. The marketer said, the top metric "seems to be our manager's opinion." In truth, there are good arguments to be made for a number of data points as the "right success" metric, but, to eliminate confusion, it's clear that inbound marketing needs to both simplify and clarify what we mean by success.

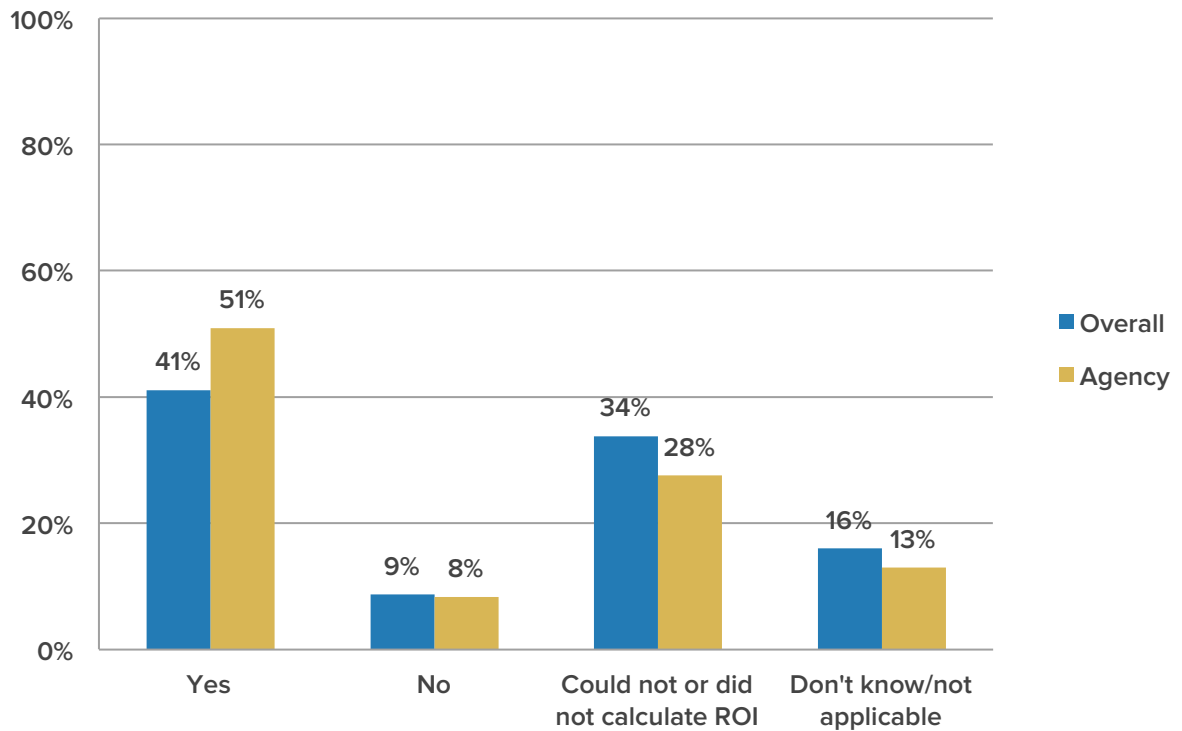
Chapter 2 Appendix

1. Is inbound worth it? Measuring inbound marketing's ROI

Q: Did inbound marketing demonstrate ROI for your company?

Agencies Lead Industry in Proving Inbound Marketing ROI

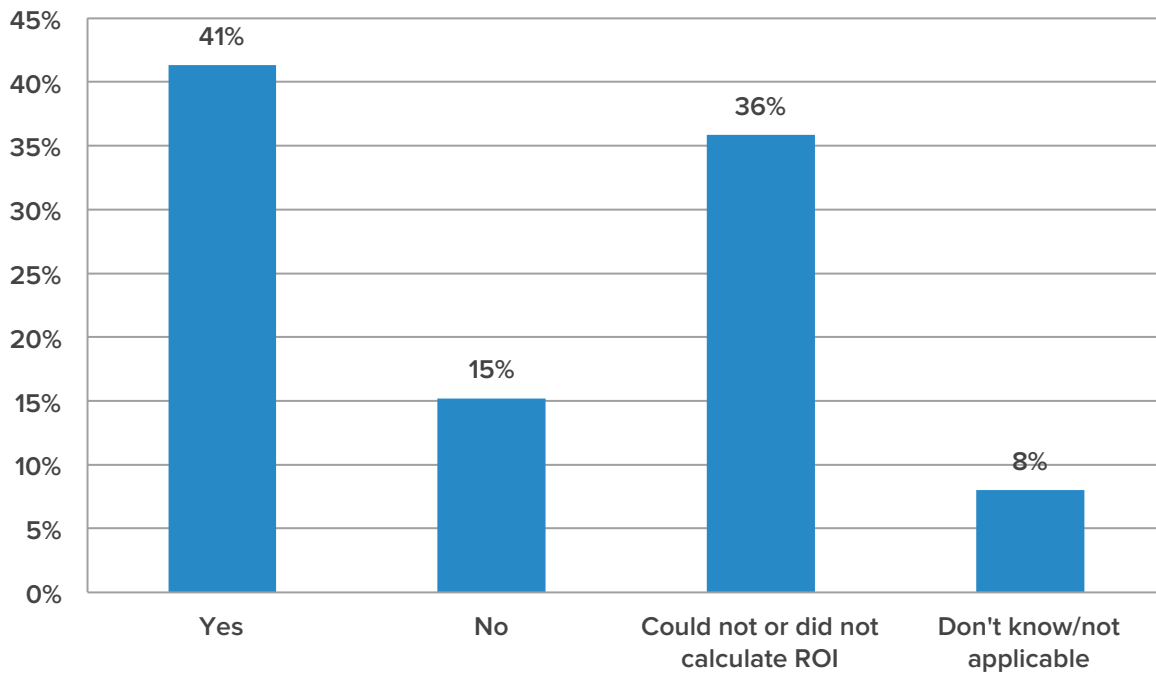
Agencies report 24% more ROI than general marketers



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

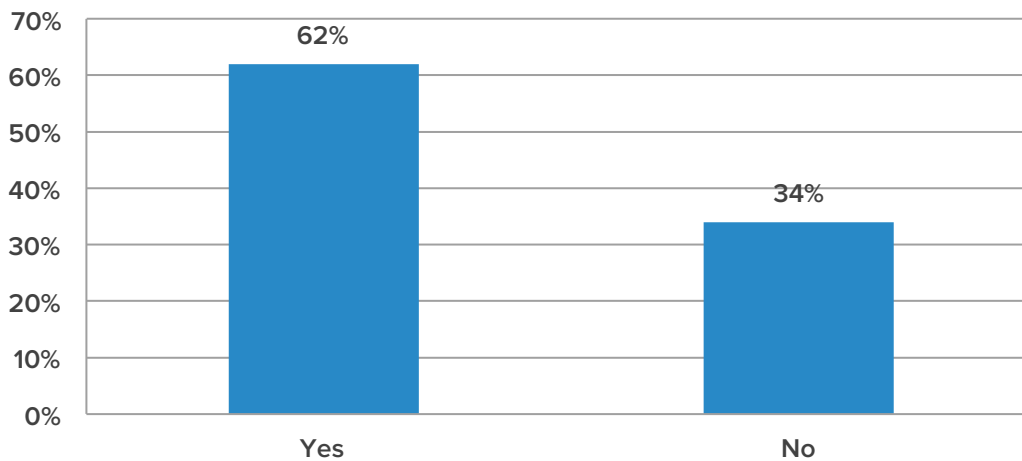
Q: Did inbound marketing demonstrate ROI for your company?

CEOs' Perception of Marketing ROI Tracks Industry Trends
41% of CEOs report inbound delivered ROI, though 15% still not convinced



Q: Does your company publish a blog?

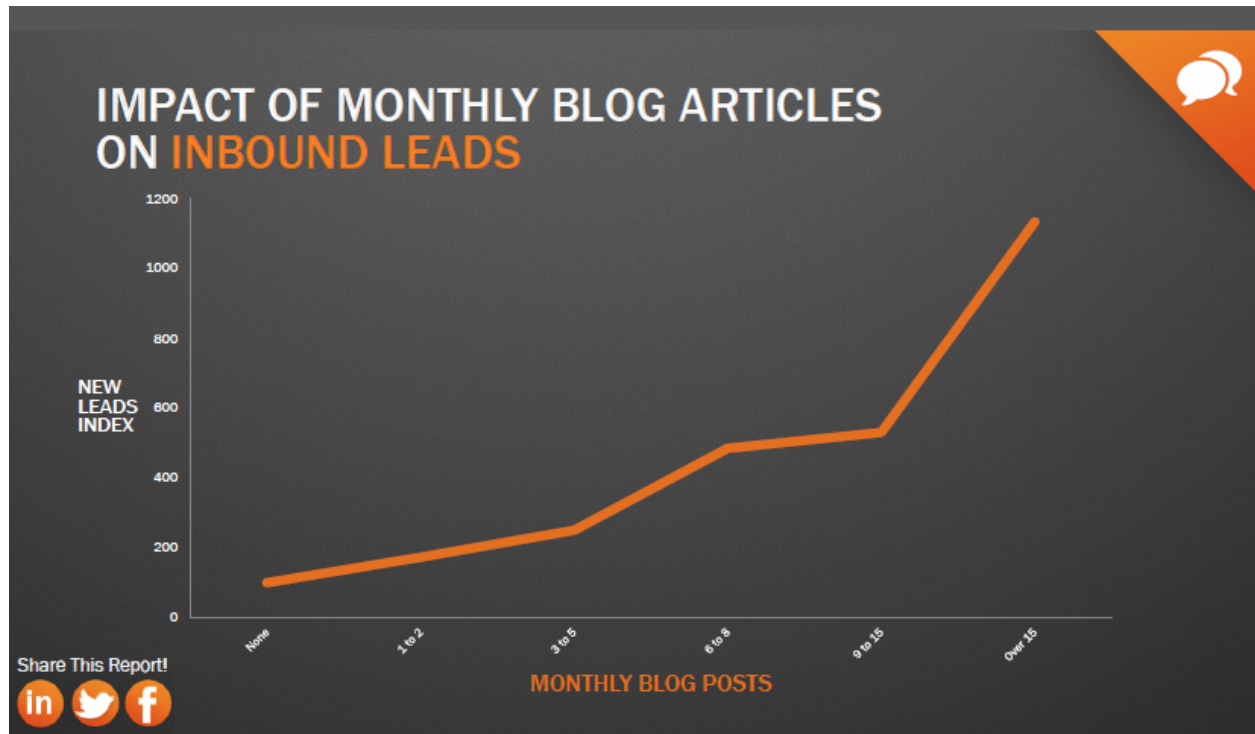
Blogging Remains a Key Inbound Element
62% of marketers published a blog in 2013



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Chart: HubSpot Customers Who Blog See Dramatic Lead Growth

Marketers with more than 15 posts per month average 1,200 new leads per month

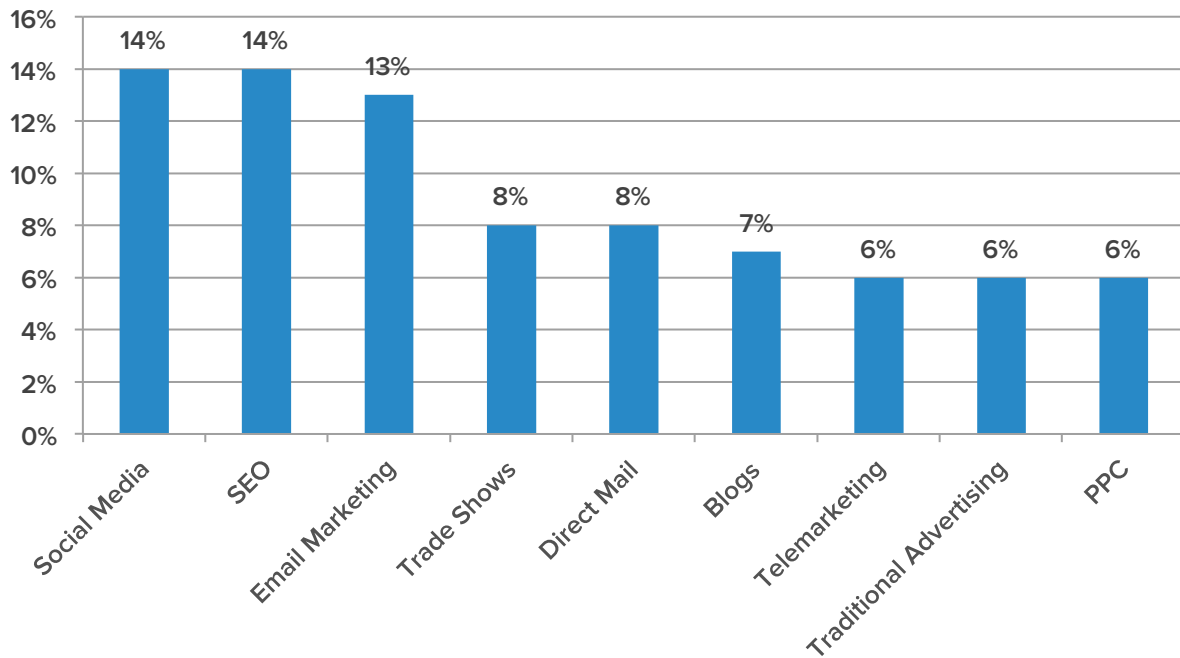


2. Where do we get leads? Inbound vs. outbound lead sources and costs

Q: What percentage of your company's leads come from each of the following sources?

Inbound Marketing Dominates Marketers' Top Lead Sources

Social media, SEO each produce 14% of all marketing leads

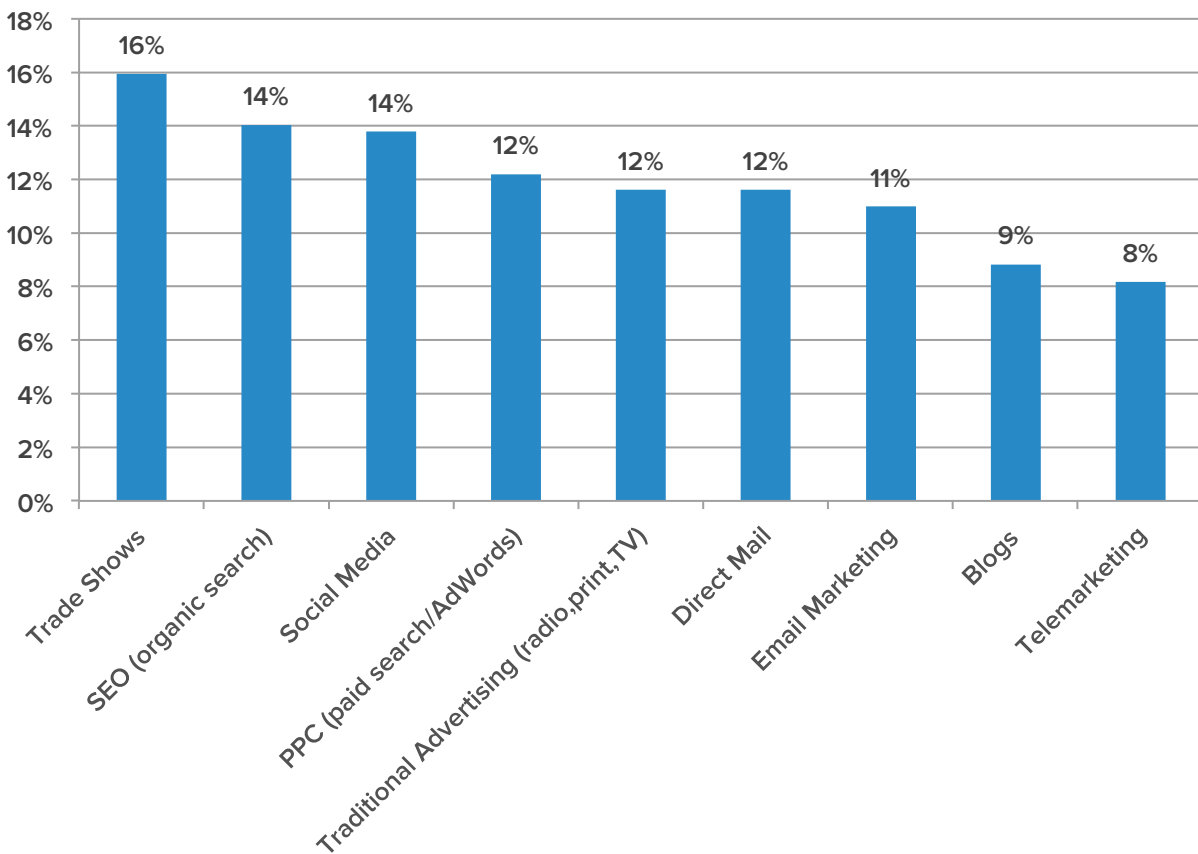


3. What is a lead worth? Marketers rate average costs-per-lead

Q: Please estimate your company's cost per lead for each of the channels listed below vs. your overall average cost per lead.

Trade Shows Top Average Cost per lead Numbers

16% of marketers see high CPLs from trade shows, followed by 14% from SEO and search strategies

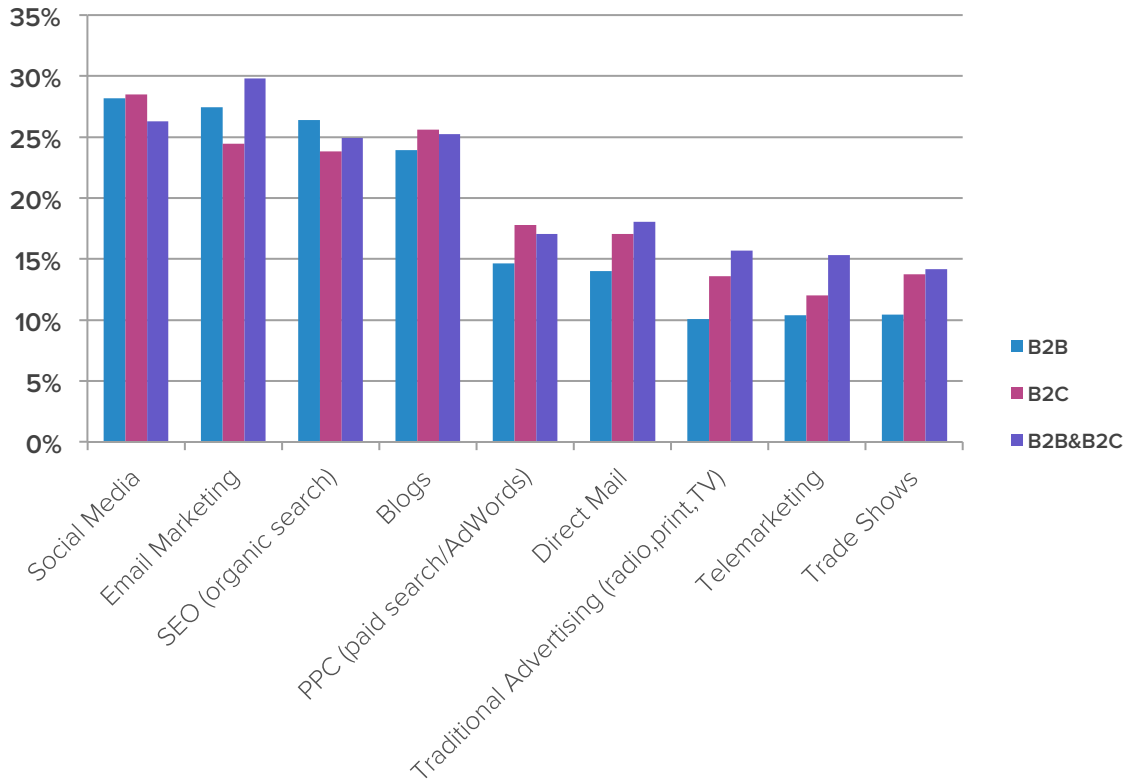


2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Q: Please estimate your company's cost per lead for each of the channels listed below vs. your overall average cost per lead.

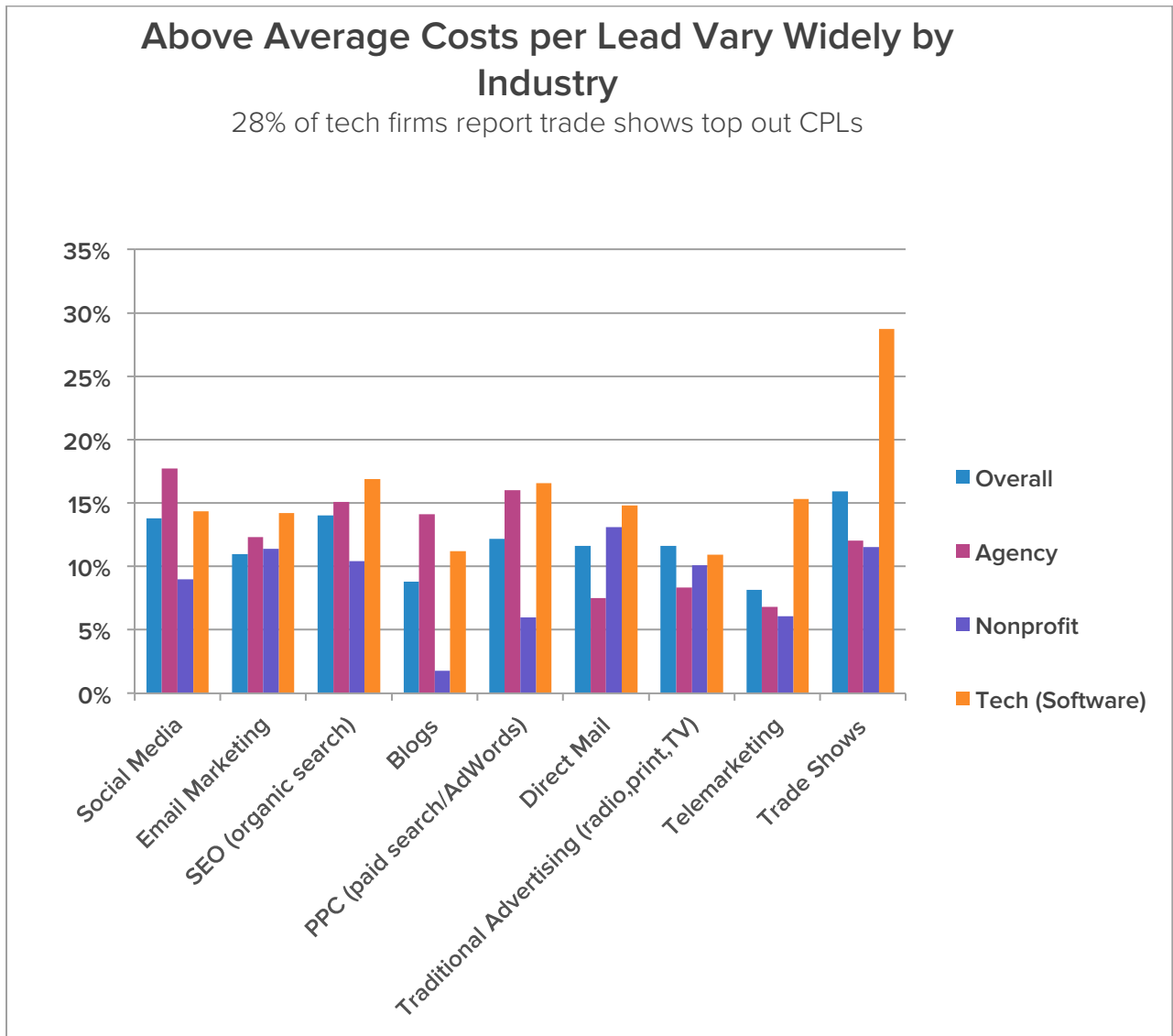
B2B and B2C Marketers Report Inbound Reduces Average CPL

Both B2B and B2C firms found social, SEO, email reduce average lead cost



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

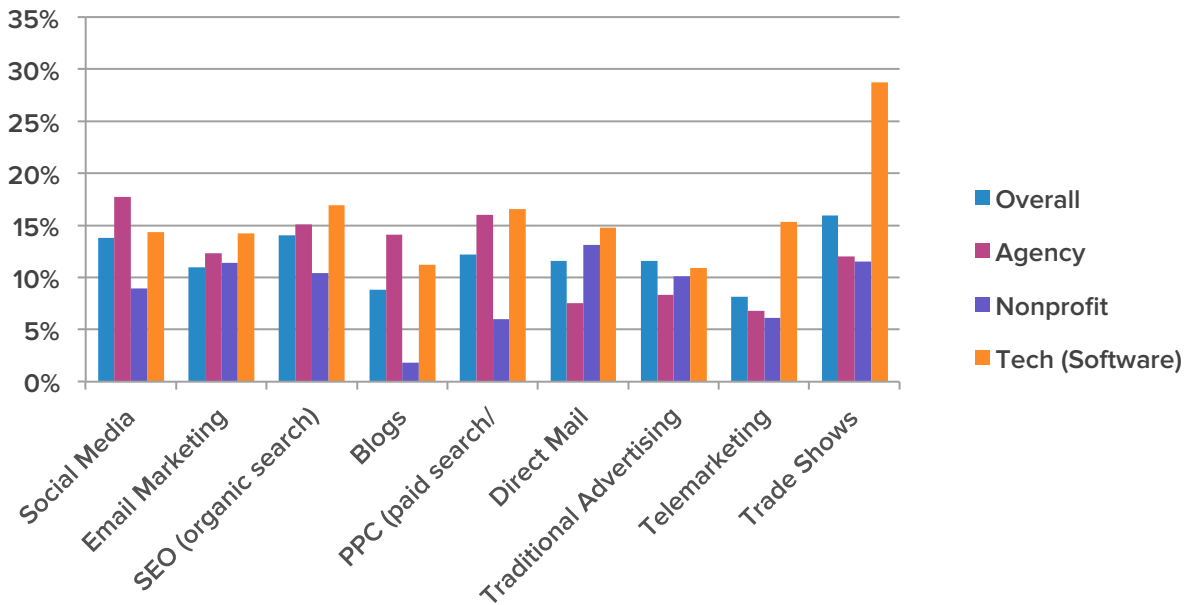
Q: Please estimate your company's cost per lead for each of the channels listed below vs. your overall average cost per lead.



4. What are the best leads? Lead conversion rates by channel

Q: What percentage of your company's leads generated in the channels listed below convert to sales vs. your total lead conversion?

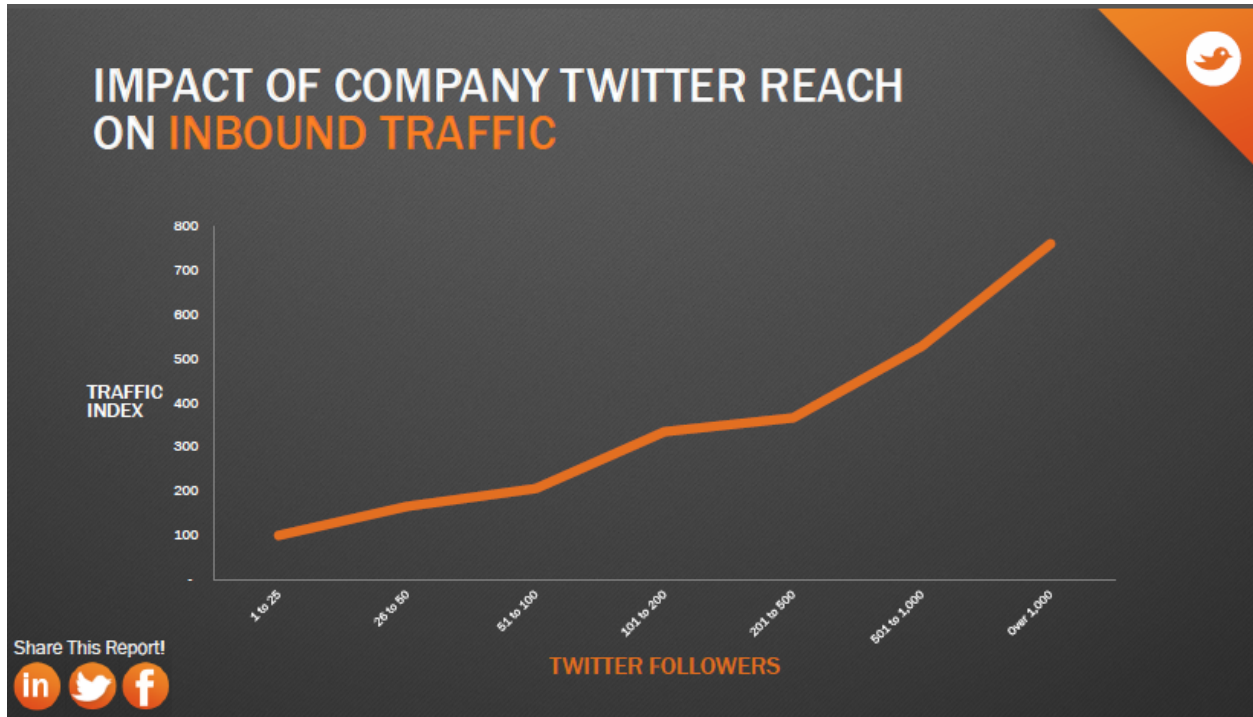
Agencies Lead Increase for Social Media, Email Conversions
 17% of agency social media leads convert to sales



5. Where do customers come from? Customer acquisition rates by channel

Chart: Facebook Customer Acquisition Remains Strong in 2013

HubSpot customers with over 1,000 likes generate over 800 site visits a month

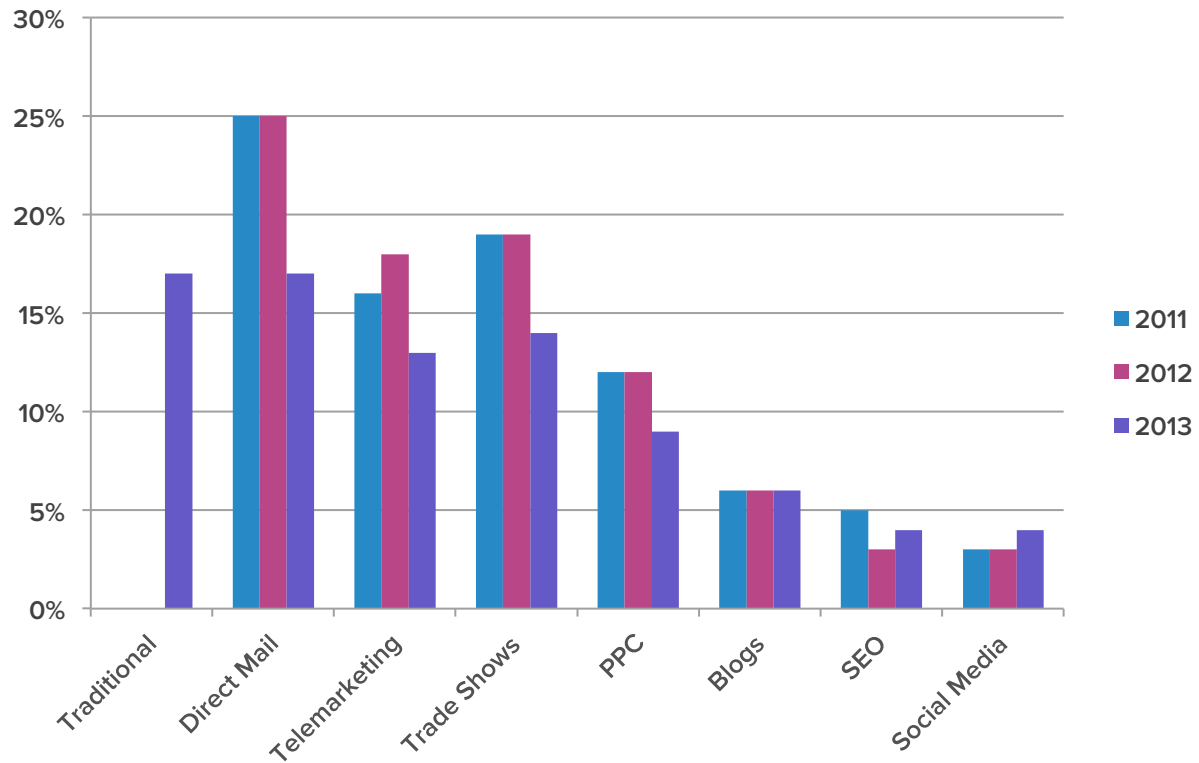


2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Q: Which sources of leads have become LESS important to your company over the last six months?

Interruption Marketing Losing Market Share

Traditional advertising, direct cede more ground in 2013

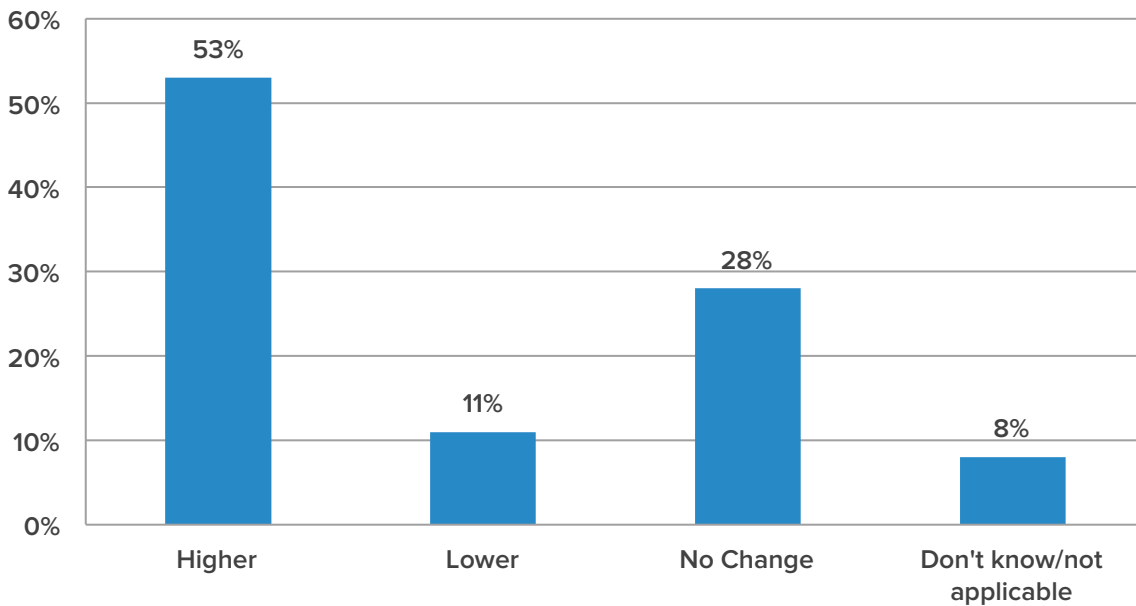


6. What will marketers spend on inbound this year? Tracking 2013 inbound marketing budgets

Q: Specific to inbound marketing, how does your company's 2013 budget compare to the 2012 budget?

Majority of CEOs Increased Inbound Marketing Budget for 2013

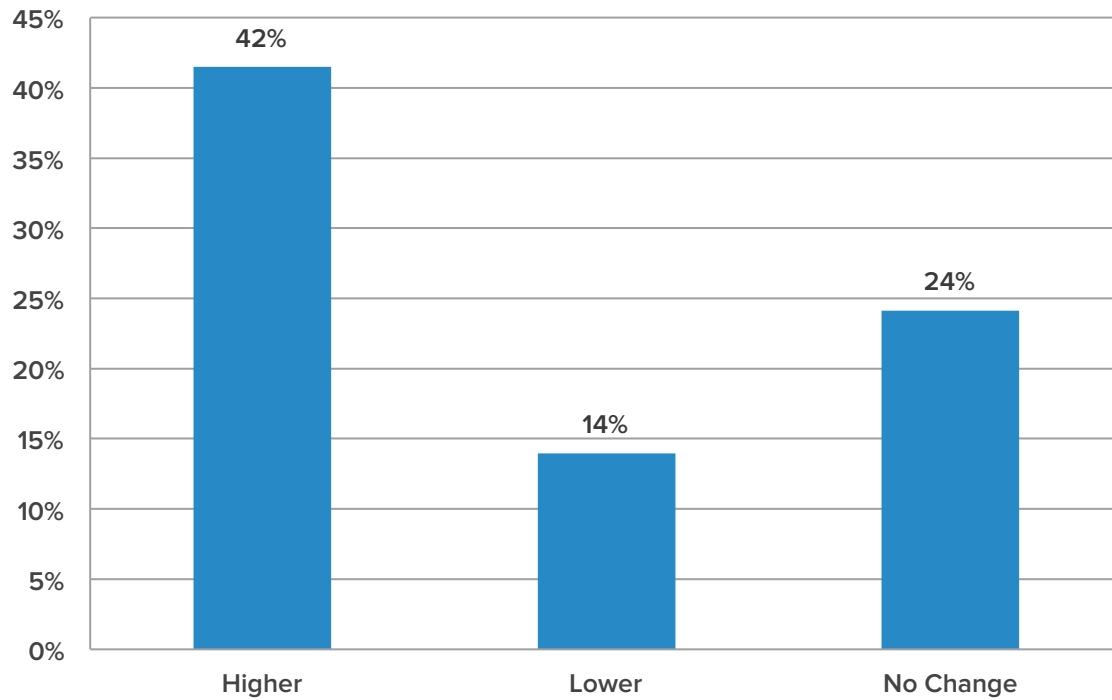
53% of CEOs raised 2013 inbound budgets



2 Why Invest in Inbound? The Business Case for Adopting Inbound Marketing

Q: Specific to inbound marketing, how does your company's 2013 budget compare to the 2012 budget?

Enterprise Inbound Budgets Lag Industry Averages
Companies with 200+ employees increasing budget 17% more slowly than larger population

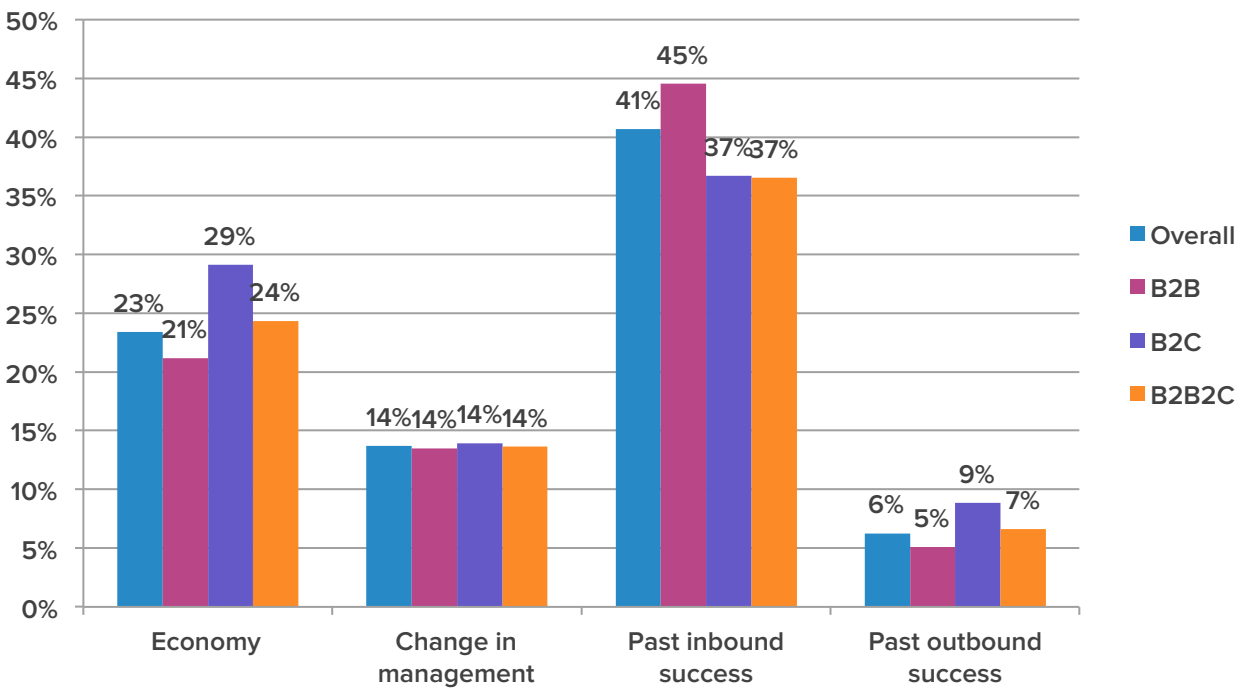


7. What influences budget strategy? Factors swaying 2013 budget changes

Q: What drove the decision to change your 2013 inbound marketing budget from the 2012 budget?

B2B Budgets More Likely to Follow Inbound Marketing Success

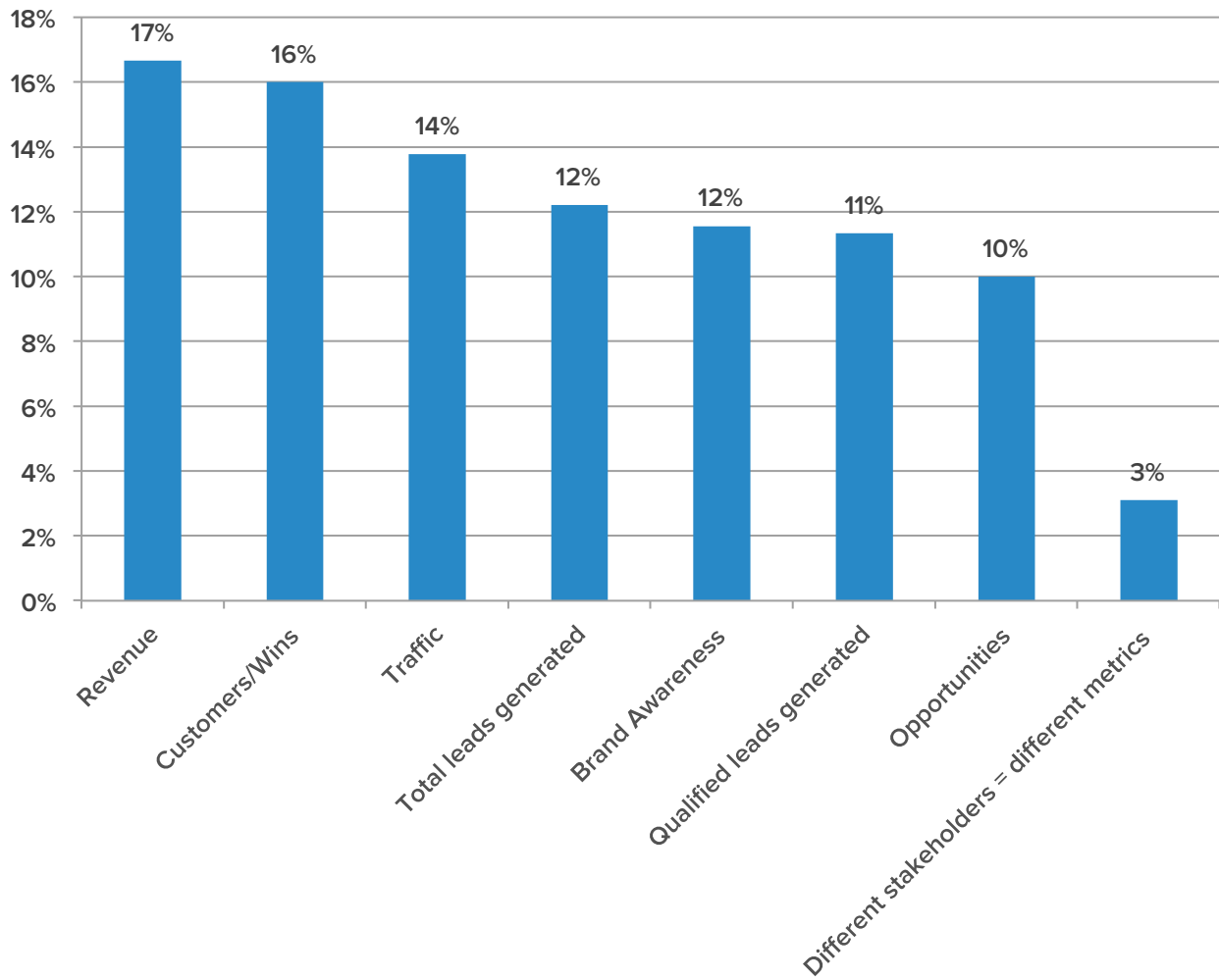
45% of B2B companies increased inbound budgets due to past success



8. What numbers to track? Evaluating inbound marketing data

Q: How is your marketing team's success evaluated?

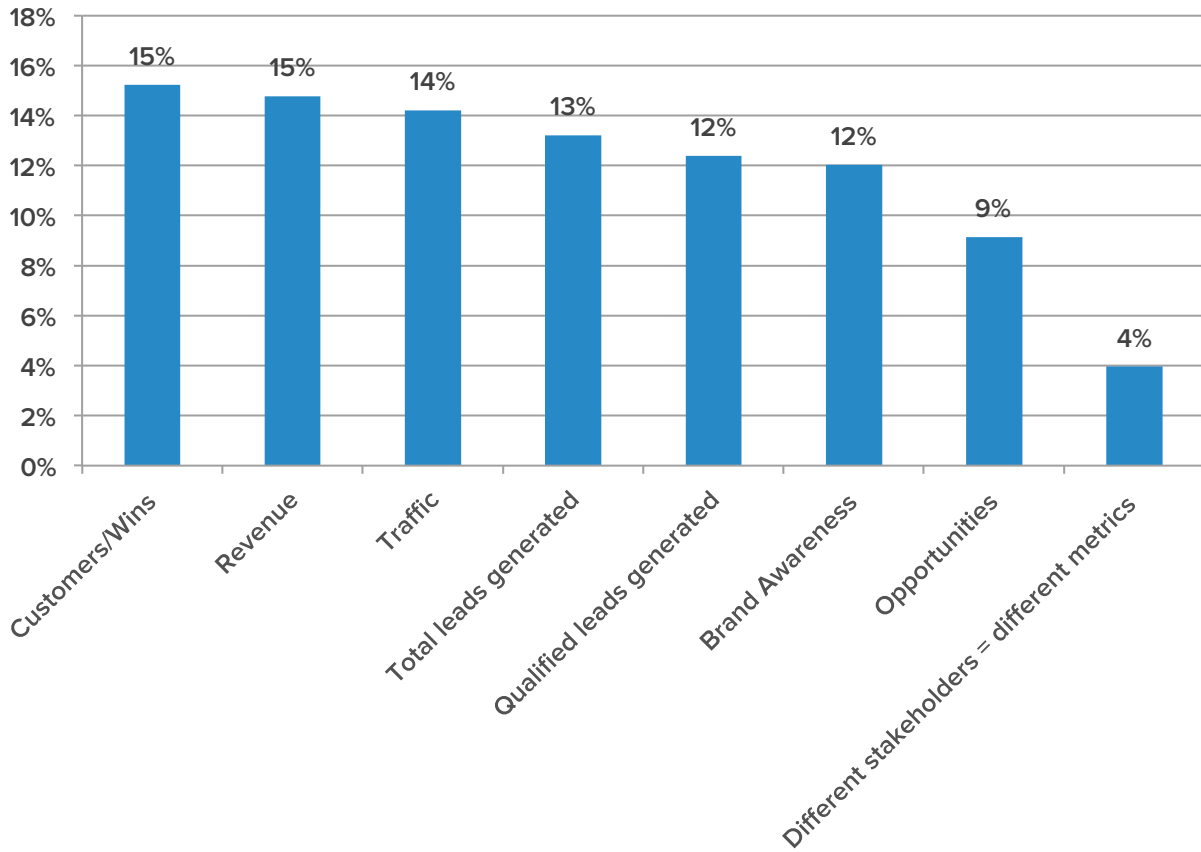
CEOs Focused on Inbound Marketing's Revenue Generation Potential
17% of all CEOs evaluated inbound marketing by ROI



Q: How is your marketing team's success evaluated?

Customer Acquisition Tops International Measurements Standard

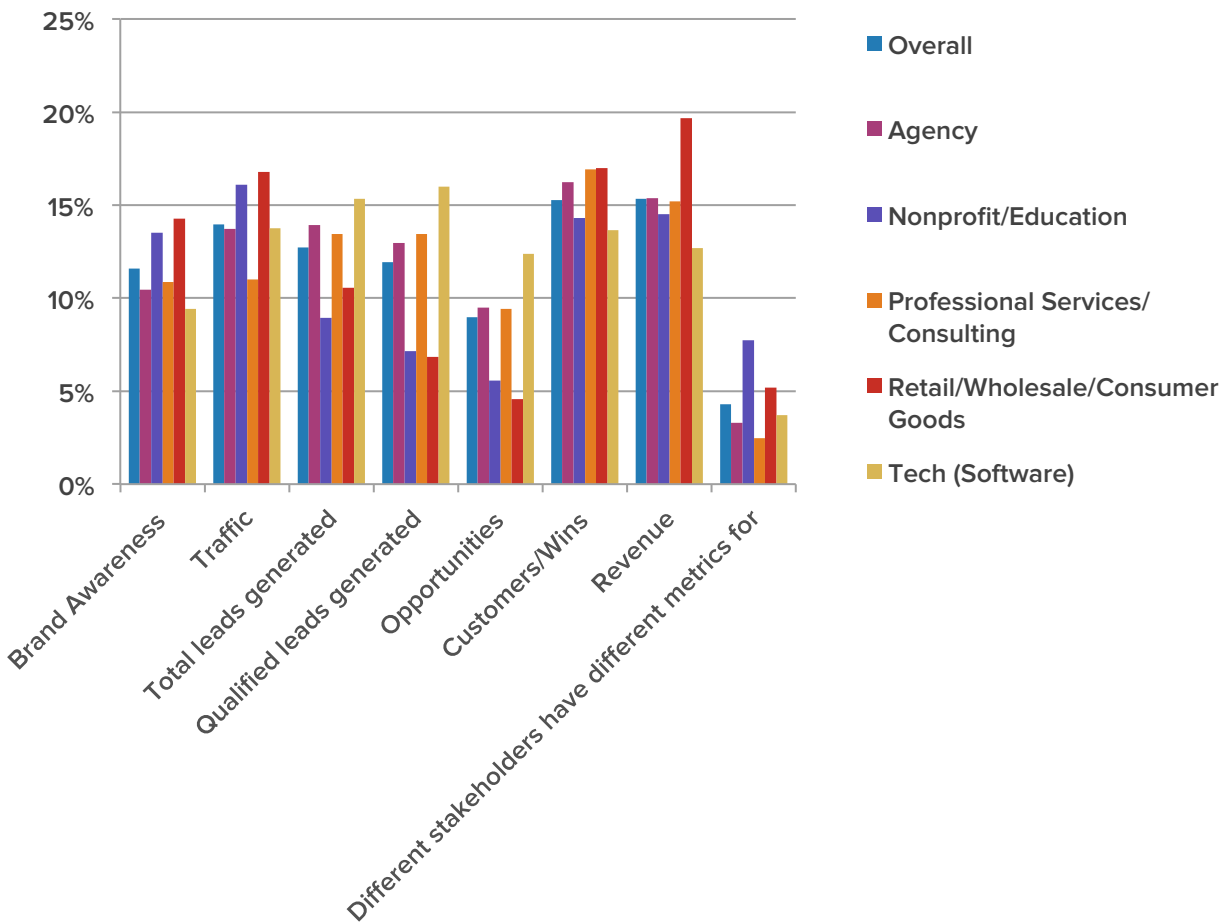
Nearly 16% of international marketers focused solely on wins



Q: How is your marketing team's success evaluated?

Business Models Dictate Inbound Marketing Measurement

Retail, non-profits review traffic, while agencies look at customer acquisition





CHAPTER 3 | **WHY DO INBOUND?**

The Marketers' Case for Adopting Inbound Testing, Tactics, and Technology

The third chapter reviews the core optimization techniques, campaign testing and technology you need to execute inbound marketing, as well as how to set lead scores and benchmark website conversion goals.



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- 5. What are marketers' technology pain points?**
Technology Challenges in 2013
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Marketers' 2013 Inbound Software Menu



Chapter Three: How to Do Inbound Marketing: Critical Optimization, Testing, and Technology Considerations

Inbound involves a number of moving parts. First, you need to understand inbound marketing's guiding framework, which we reviewed in the Introduction. Then you need to understand how all the possible inbound processes work together to deliver at the top of your funnel. In Chapter Two, we reviewed the most cost-effective channels for generating leads.

In Chapter Three, we will learn to approach these channels strategically, and review the core optimization design, technology, and testing tools you need to execute inbound marketing.

This chapter covers how to set lead scores and website conversion goals. We also explore the benefits of testing your inbound techniques, cover the frequency with which marketers are deploying testing campaigns, and look at the inbound industry's current technology challenges and software trends.

Chapter Three topics include:

1. What is a lead worth? 2013 lead scoring deployment
2. How does your website measure up? Average website conversion rates
3. Who is testing? Marketers reveal 2013 testing practices
4. How often should you test? Optimizing inbound marketing
5. What are marketers' technology pain points? Technology challenges in 2013
6. What are the must-have inbound tools? Marketers' 2013 inbound software menu

Key discoveries

- **Marketers report lead scoring is critical to their inbound approach:** Sixty-seven percent of marketers rate lead scoring important to their strategic success. Further, 72% of C-level marketers responding to the 2013 State of Inbound Marketing survey consider lead scoring important to achieving marketing goals.
- **Inbound concepts boost total website lead conversion rates:** Inbound marketers double the average site conversion rate of non-inbound marketers, from 6% to 12% total. Marketers see an average website conversion rate of 10% industry-wide.
- **Testing inbound efforts propels ROI improvements:** Companies who test are 75% more likely to show ROI for inbound marketing than those who fail to test their strategies.

- **Very few marketers commit to regular testing:** Forty-five percent of marketers do not test their efforts, and 21% do not know if they test or not, which means that over two-thirds of all inbound strategies will not be effectively tested in 2013. Of those who do test, just 3% of inbound marketers test all the time, and 28% indicate they test less than monthly. However, 51% of executives report testing at least monthly to improve inbound results.
- **Free analytics solutions rule the industry:** Forty-six percent of marketers use Google Analytics' free reporting. This lack of true inbound tracking is likely a key impact on ROI measurement challenges because 18% of marketers report finding tools to accurately measure ROI as a major challenge of their technology systems.

What to do with these lessons:

1. **Optimize your website:** While a 2% difference in conversion rate between inbound marketing and the 10% overall industry average may not seem like a lot, for an ecommerce site doing \$200,000 in business a month, boosting online conversions by 2% results in a \$40,000 delta for that firm's bottom line.
2. **Define what a lead is worth:** Setting up scoring mechanisms can be somewhat complex. Though they require strategic thinking and lead management software, lead grades can also provide invaluable information about a lead's worth to your company – and consequently, how inbound has measurably produced ROI.
3. **Test! And map out a formal testing strategy while you're at it:** Testing eliminates hypothetical discussions about how your audience will respond to different content, email campaigns, or landing page elements, and it replaces them with hard evidence on where visitors actually click on your pages and what copy actually converts leads.
4. **Make sure your technology can support your business goals:** Lofty inbound results require technical capabilities. Ensure your marketing team is armed with every technology or tool it may need to accomplish business goals, including content management and distribution tools, analytics tracking, social media monitoring tools, and testing capabilities. Similarly, allow marketers to become more fluent in the technical aspects of digital marketing by offering either explicit IT support or educational opportunities.

1. What is a lead worth? 2013 lead scoring deployment

We spent the bulk of Chapter Two explaining how inbound helps marketers attract high volumes of leads. Sure, HubSpot customers may have produced more than 9,100 leads in 15 months, but inevitably, some of these leads will be much more likely to convert than others. The challenge for many marketers is trying to separate good, quality leads from the rest of this new traffic.

Inbound marketers are solving this lead assessment problem by turning to lead scoring or some version of this philosophy. Lead scoring attaches values to each of your leads based on the information in their lead forms and online behavior.

Setting up scoring mechanisms can be somewhat complex. Though they require strategic thinking and lead management software, lead grades can also provide invaluable information regarding what a lead is worth to your company – and consequently, how inbound has measurably produced ROI.

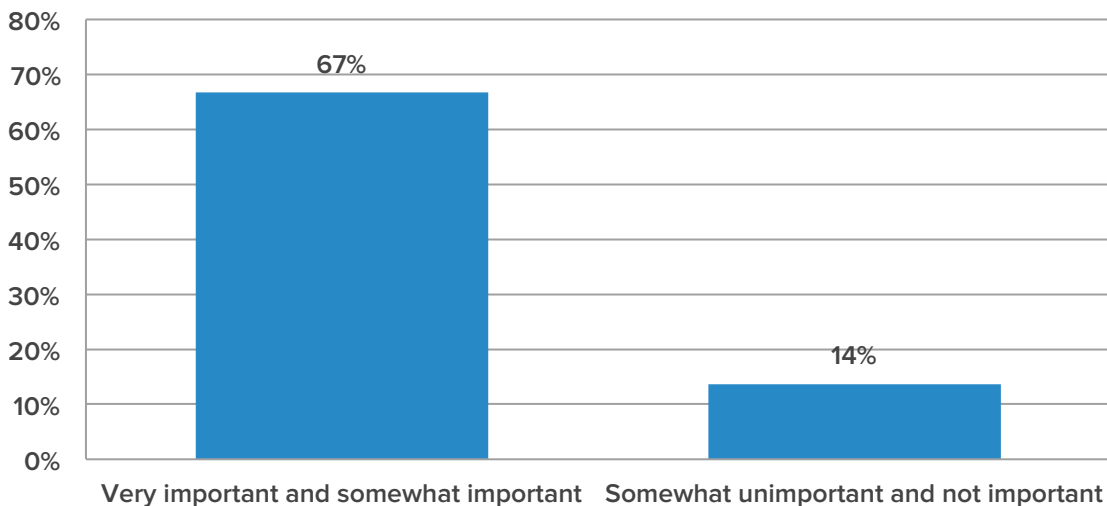
We wanted to assess the sophistication of marketers' current lead scoring strategies, so we asked them how important they consider lead scoring to their overall marketing goals.

According to the chart below, marketers have clearly embraced the promise of lead scoring. Among marketers who have implemented inbound marketing, 34% consider lead scoring very important and another one-third note this strategy is somewhat important.

Q: How important is lead scoring to your marketing strategy?

Scoring Leads Important to Inbound

67% of marketers rate lead scoring important to strategic success



As with any data-driven metrics, marketing executives are fans of lead scoring strategies. Seventy-two percent of C-level marketers responding to the 2013 State of Inbound Marketing survey consider lead scoring important to achieving marketing goals.

Lead scoring ranks even higher among international marketers, perhaps because of their disparate audience pools; 75% of international marketers rate lead scoring as at least somewhat important to marketing strategy, and 41% find lead scoring very important.

Remember: the value of your lead score is only as good as the inputs you use to calculate that score. At HubSpot, we recommend using personas to sort and understand your prospect base. Personas are robust, semi-fictionalized representations of your ideal customers. By developing these profiles, you can gain insight into how best to speak to and otherwise target your core audience. When considering our own HubSpot lead evaluation, we know that our core personas convert at different rates. We assign correspondingly different values to leads from each of our core persona subsets, which helps us better estimate our overall lead closing rates.

Your lead scores will evolve over time. To launch a lead scoring model, you need to define preliminary values, but remember to revisit your lead tracking on a regular basis to adjust your targets as your understanding of your total funnel conversion evolves.

2. How does your website measure up? Average website conversion rates



Have you been looking for that secret formula to lift your conversion rates? Sorry, but this report shows that inbound marketers who focus on developing content that meets their customers need and invest in doing so for the long term nearly double their conversion rate. As they continue to keep rolling out quality content over time that conversion rate will continue to rise. Just as Jeff Bezos, the CEO of Amazon has proven in ecommerce, Hubspot shows in this report that conversion rates are a long term, customer driven exercise.

Bryan Eisenberg, Partner

Eisenberg Holdings

<http://www.bryaneisenberg.com/> @TheGrok



Your website is the hub of all marketing efforts. All of your email, social media, and back-end SEO magic will ultimately point your audience to a page on your website to convert. As a consequence, your website conversion rate – how effectively your website does what you want it to do – is a major factor in determining your digital marketing success.

You may have exceptional content and a killer strategy, but if your website is confusing, you will never achieve your inbound marketing goals.

There are myriad factors that contribute to website conversion rates. In fact, many website conversion experts shy away from quoting industry averages because they vary so significantly by business, target customer base, the type of page you measure, and even how you define a website “conversion.” As a result, comparing website conversion rates is a little like comparing running times between people in the 100-meter dash and the mile.

We also know, however, that marketers – and especially executives – like benchmarks, so we asked marketers to estimate their average website conversion rate. For the purpose of this report, we couched website conversion more generally, as a company’s ability to convert overall leads using their website.

According to the 2013 State of Inbound Marketing Report, marketers see an average website conversion rate of 10% industry-wide. Given the short attention span of most readers online, this conversion rate is actually a bit surprising, but it bodes extremely well for the future success of online marketing.

Q: To the best of your ability, please write your company's following average website conversion rate

Improvement to Site Conversion Rate for Inbound Easily Outpaces Traditional

Marketers Report a 10% Average Website Conversion Rate

Average of Website conversion rate:	10%
-------------------------------------	-----

Marketers who have implemented inbound marketing strategies see even greater website conversion rates than this industry average, and they reach almost double the conversion rate of non-inbound marketers, from 6% to 12%. While a 2% difference between inbound marketers and the 10% overall industry average may not seem like a lot, for an ecommerce site doing \$200,000 in business a month, boosting online conversions by 2% results in a \$40,000 delta for its bottom line.

Q: To the best of your ability, please write your company's following average website conversion rate

Improvement to Site Conversion Rate for Inbound Easily Outpaces Traditional

Companies Implementing Inbound See 100% Improvement in Site Conversion

Inbound?	Avg Website Conversion
Yes	12%
No	6%

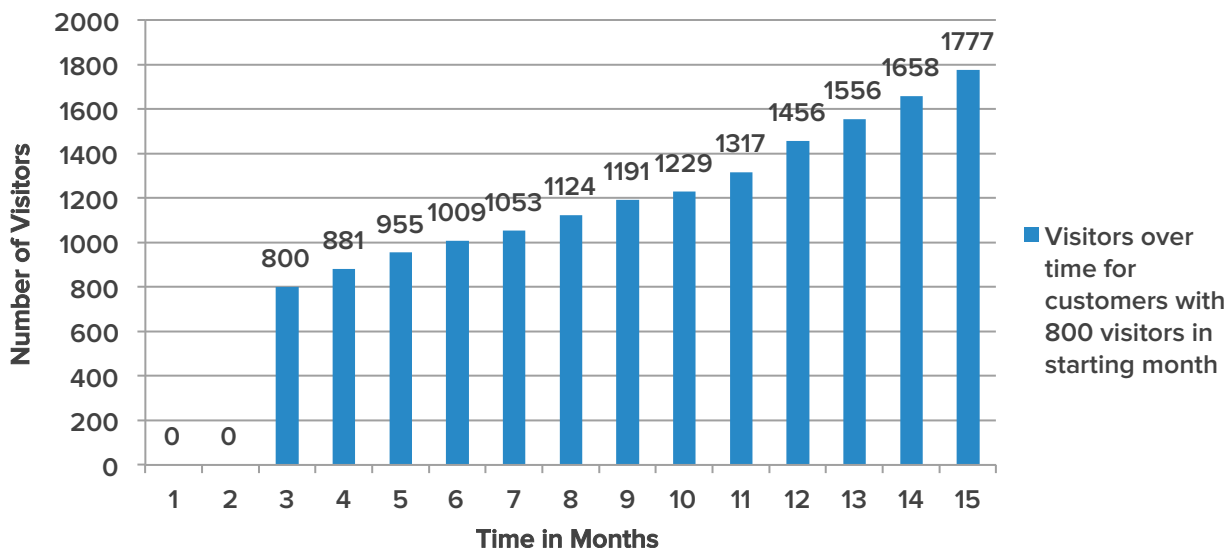
Websites for small businesses experience slightly below average conversion rates, with just an 8% rate. Similarly, large enterprise companies report somewhat suboptimal results, at 9.9% average conversions.

While both these groups see below average site conversions, the reasons behind these dips are very different. For small companies, a lack of resources for improving and testing websites likely reduces overall results. At the opposite end of the spectrum, large companies – with a variety of business units – often suffer from confusion over both the ultimate business objective for the website and competition for real estate on company homepages. This confusion can translate to an unclear website, which does not convert well.

Overall, the boost to website conversion rates is great news for inbound marketers, especially when you look at HubSpot customer data, which indicated that companies implementing inbound marketing managed to double their average website traffic in less than a year and a half.

Site Visitor Growth Dramatically Rises for HubSpot Customers

Using HubSpot software, customers see nearly 2000 website visits a month



If companies that grew their average traffic from 800 customers to 1,700 also doubled their conversion rates, they would see an exponential increase in their online marketing performance. No wonder marketers are increasing their inbound budgets by nearly 50% this year. Who is testing? Marketers reveal 2013 testing practices

One of the best ways to improve inbound marketing results is to test your marketing campaigns. You can spend days or weeks planning and designing the perfect content piece or landing page, but testing and analytics are the only ways to determine if it actually works.

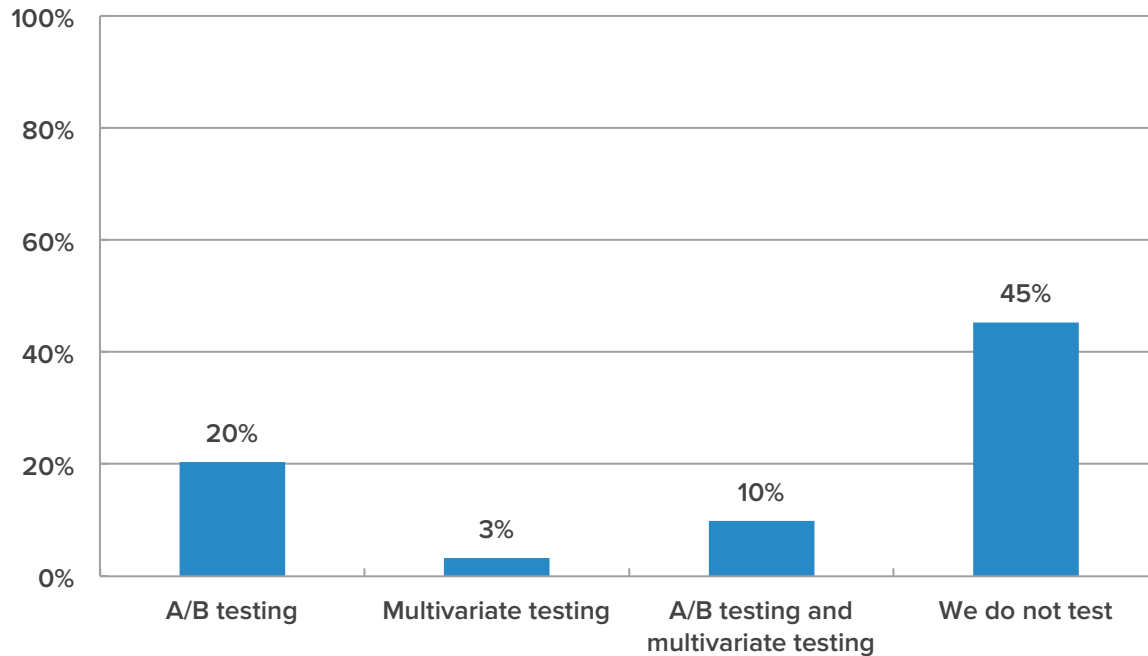
A great conversion rate tells you simply how well a piece of content or site performs today, but you need to put context around it. Testing helps to identify that content piece's hidden potential, making your inbound channels and content tools work as hard as you do. Testing also eliminates hypothetical discussions about how your audience will respond to different content, email campaigns, or landing page elements, and it replaces them with hard evidence on where visitors actually click on your pages and what copy actually converts leads.

We wanted to know how many marketers were actually implementing end-to-end inbound marketing, so we asked them what kind of testing strategies their company uses to support their marketing efforts.

Q: What kind of testing does your company use to support your marketing efforts?

Testing Largely Ignored by Marketers

66% of marketers do not test their inbound tactics



As you can see in the chart above, 45% of marketers do not test their efforts, and 21% do not know if they test or not, which means that over two-thirds of all inbound strategies will not be effectively tested in 2013.

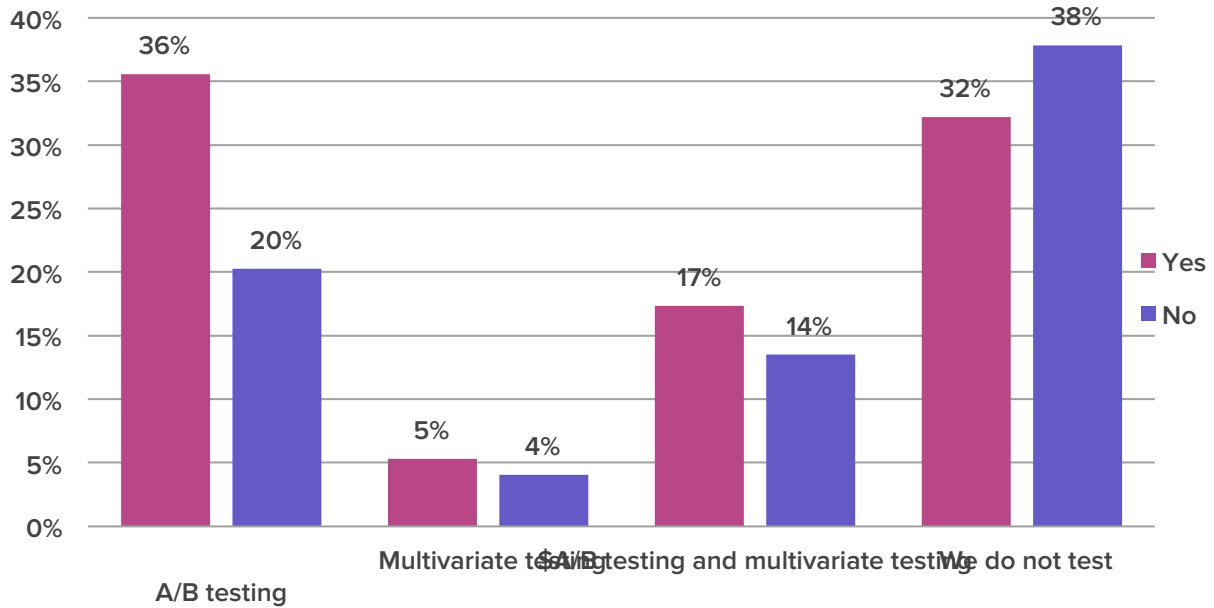
Among marketers who test, A/B testing is the clear winner, with 20% of marketers implementing a pure A/B test and an additional 10% combining testing strategies in 2013. Pure multivariate testing, in which marketers test multiple variables at once, accounts for just 3.3% of all inbound marketing testing. This number is not surprising given the high volume of traffic and expertise required to implement these types of tests.

Marketing agencies, which have been ahead of the curve for most inbound marketing tactics, are slightly more advanced in their testing practices, with nearly half (49%) implementing some form of inbound testing this year.

Q: Does inbound marketing demonstrate ROI?

A/B Testing Improves Bottom-Line Performance

Marketers conducting A/B tests 80% more likely to show inbound ROI



Why are we such advocates for testing? Very simply: It works! Companies that test are 75% more likely to show ROI for inbound marketing than those that fail to test their strategies

While testing requires some technical expertise, which can certainly be intimidating for some marketers, most inbound marketing software makes testing relatively painless by funneling email into A/B testing alternatives and calculating statistical validity.

3. How often should you test? Industry standards for testing

In addition to teasing out who is testing, it's valuable to detail how often marketers are testing.

For testing to deliver consistent bottom-line improvements, it can't be a standalone event. Effective testing requires a continual, iterative process, in which each lesson builds on previous ones to provide more insight into your customer base. While conducting one-off tests on different marketing components is possible (e.g. a single product page or new CTA button), it is far more effective to map out a formal, long-term testing strategy.

Ongoing testing tells your company what you don't know and allows your company to make business decisions based on facts, not opinions. It's this clear business intelligence that will allow your company to maximize inbound marketing's potential gains.

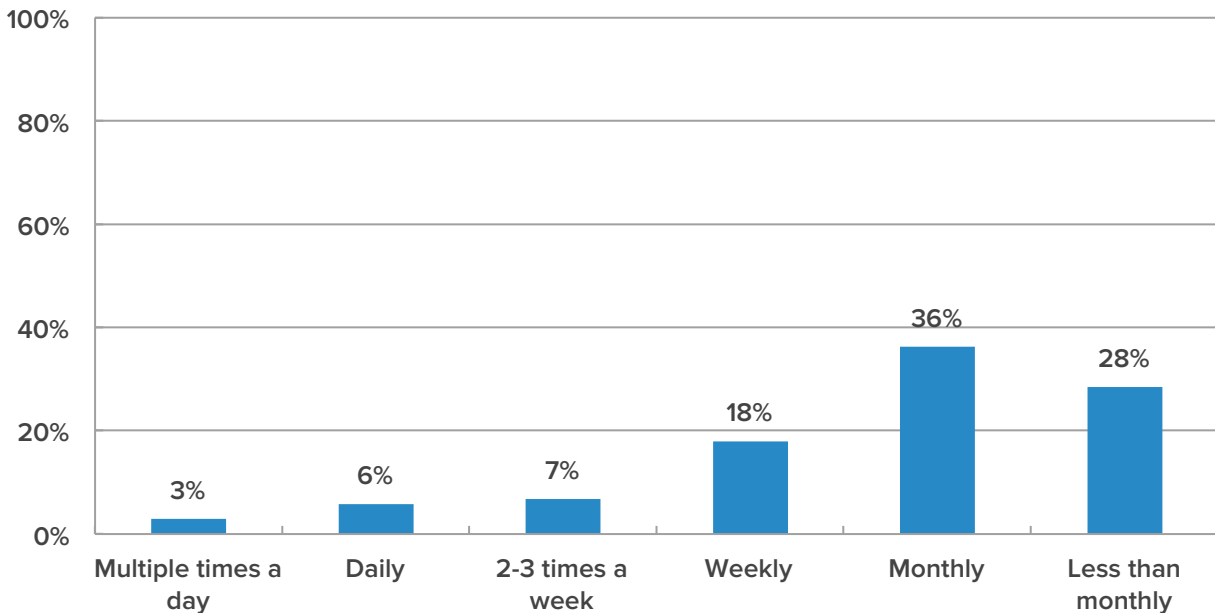
We wanted to identify how many marketers have fused a culture of testing into the DNA of their inbound marketing strategies, so we asked marketers who test how frequently they use A/B testing or multivariate testing strategies.

As you can see in the chart below, very few – just 3% of inbound marketers – test all the time. While continual testing is obviously ideal, we also know it's probably unrealistic for most resource-strapped marketing teams.

Q: How frequently do you use A/B testing and/or multivariate testing?

Marketers Primarily Support Monthly Testing

36% of marketers testing inbound strategies roll out variations monthly



Just over 36% of marketers in the 2013 State of Inbound Marketing Survey report monthly testing rates, and an additional 28% indicate they test less frequently than that. While monthly tests will certainly improve campaigns more than no testing at all, it's clear that marketers can do a lot more to capitalize on testing's ability to drive bottom-line improvements.

For marketers sold on the promise of testing, a lack of manpower, technology, and expertise can prevent some marketers from executing testing goals. For many others, testing may be more of a mental block than a physical one. However, email and inbound marketing software, especially at the enterprise level, often includes A/B testing capabilities and will even calculate your test's statistical significance.

Our CEO and CMO respondents were particular fans of regular testing, with 51% of executives indicating they test to improve their inbound results on a monthly basis. Anything that marketers can do to eliminate the guess work in deciding campaign strategies is usually popular among executives.

4. What are marketers' technology pain points? Technology challenges in 2013

In Chapter One, we alluded to a traditional marketing-IT divide. While this is occasionally a stereotype, many companies face very real challenges managing their disparate technology resources – from successfully building and launching landing pages onto their websites to forcing their CRM systems to “talk” to their email tools, among other obstacles. Often, marketers may also face language and prioritization barriers that prevent them from effectively working with their IT teams.

Inbound marketing requires reporting across multiple channels and integrating outreach efforts, including the blog, social media, and organic website traffic. Marketers without end-to-end technology solutions are forced to rely on their IT teams to string together various delivery and reporting systems, which is another factor inhibiting clear ROI reporting.

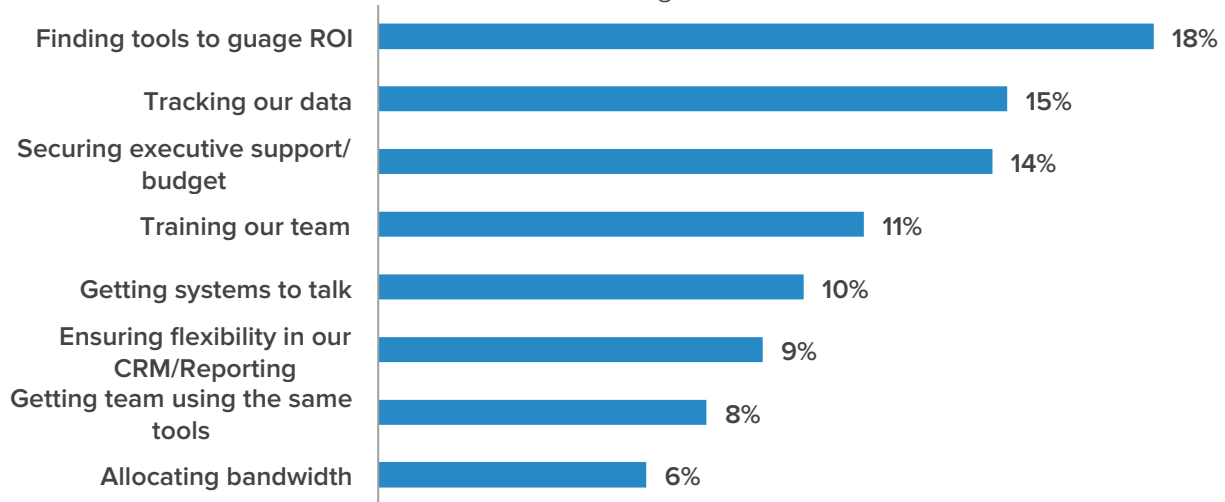
Customers don't really care about our internal cross-functional issues. They care about whether they can easily find the information or content they want. With this in mind, businesses need to identify and address these technology issues to ensure seamless, remarkable experiences every time the customer interacts with their online footprint.

To get a handle on current technology challenges, we asked what major issues marketers face when using their existing technology solutions.

Q: Which of the following statements, if any, describe the major challenges your company faces in using your marketing technology solutions?

ROI Measurement, Data Cleanliness Key Tech Challenges

18% of marketers report identifying ROI tracking systems a primary challenge



In keeping with our theme of measuring ROI, 18% of marketers indicate that their top challenge is determining which systems, analytics, and tools can best gauge ROI. Among executives, tracking the ROI in analytics becomes even more important, with 20% of C-suite marketers indicating that gauging ROI is their principle technology concern.

Rounding out the top five challenges are 15% of marketers concerned with managing data; 14% struggling to secure executive support or budgets; 11% working to improve team training; and 10% unable to get various systems to “talk” to one another.

It will be interesting to watch marketers' awareness levels of data-cleanliness and storage over the next several years to see if it moves in light of the impending big data crisis.

5. What are the must-have inbound tools? Marketers' 2013 inbound software menu

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New technologies (mobile devices of all shapes and sizes and location-based services) will continue to grow, but the best marketers will realize it's not about how to jam more ads into new platforms – it's about how to use the new technologies to enhance your inbound powers of attraction.

- Dharmesh Shah

CTO of HubSpot

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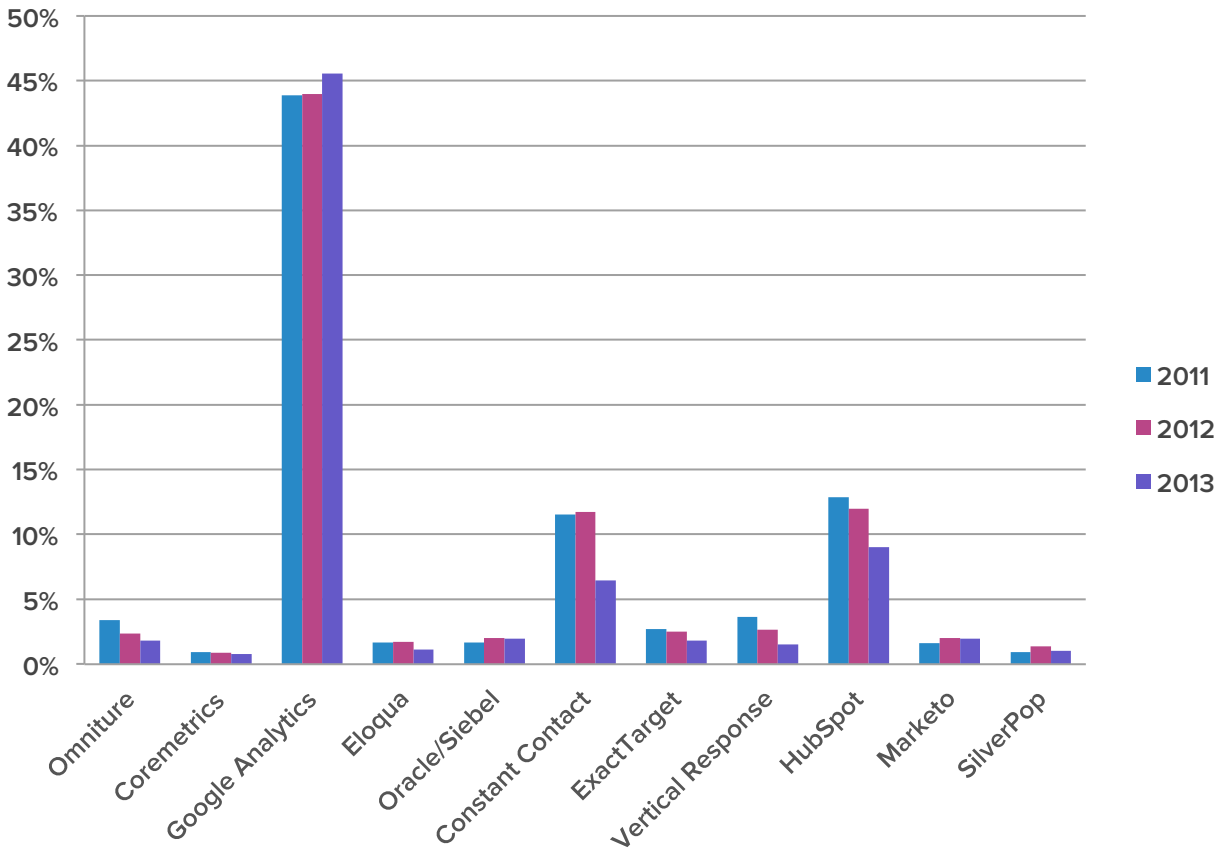
In 2012, we witnessed many technology acquisitions, from IPOs, private rounds of funding, and the emergence of new startups. As a part of HubSpot's 2013 predictions on inbound marketing, we anticipated more investment in technology solutions to improve inbound execution, social media management, marketing measurement, and ROI attribution – which would be a blessing for the 18% of marketers challenged to identify the ROI of their inbound efforts.

To understand the current technology software landscape, we asked marketers what software they use on a regular basis. As you can see in the chart below (which graphs any software netting a 1% overall response rate), the free Google Analytics leads the pack by a landslide, with 46% of marketers using that software this year.

Q: What marketing software does your company use?

Google Analytics Tops Marketers Software Resources

46% of marketers used Google Analytics in 2013



While the adoption of HubSpot software looks like it has declined slightly over the past three years, don't worry; the company is doing just fine – in fact, we grew by 82% this year!

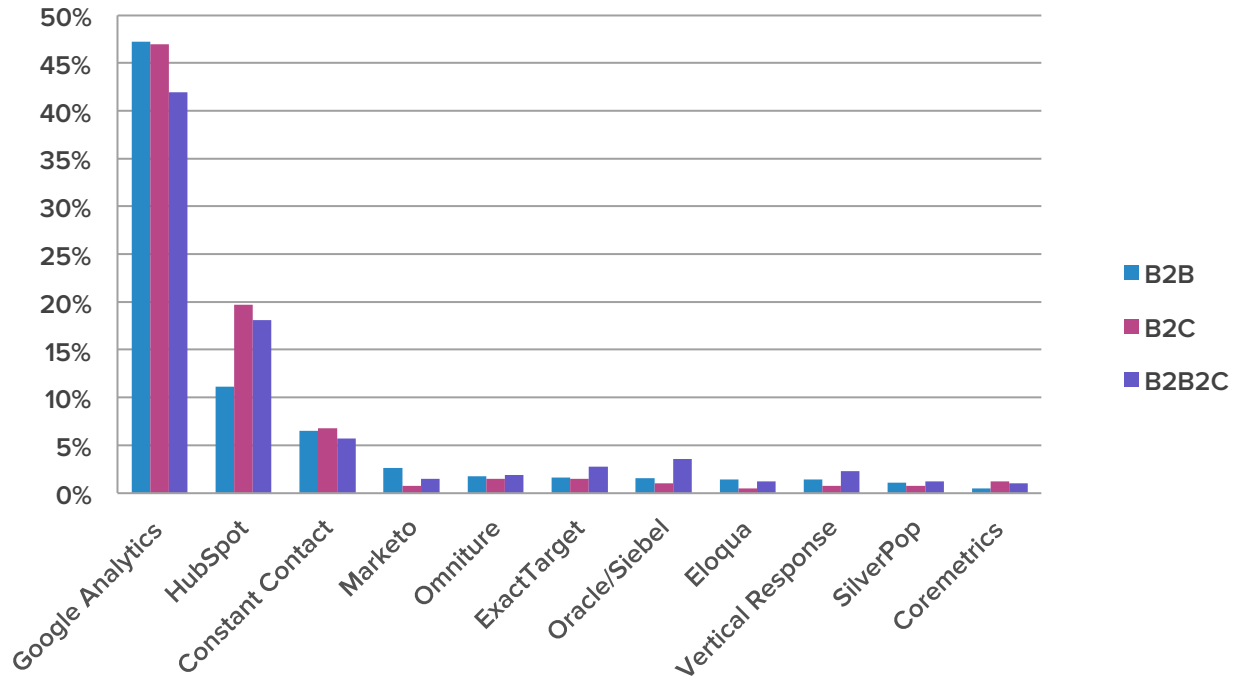
By tripling our survey sample size this year, we changed the number of HubSpot customers surveyed and were able to provide a more accurate data set for this report. Less than 10% of this survey sample is colored by experiences at HubSpot, which makes marketers more likely to provide an unbiased opinion of what is happening in the broader inbound marketing community.

It's interesting to note that B2B companies were 83% more likely to have implemented HubSpot software than were B2C firms. While a clear concept of a lead is one of the primary determining factors of a good inbound marketing customer – which is innately the B2B model – there are many B2C companies that should consider looking into inbound marketing strategies via HubSpot or another tool.

Q: What marketing software does your company use?

Inbound Marketing Software More Prevalent Among B2B Marketers

B2B companies 83% more likely to deploy HubSpot than their B2C peers



As PPC campaigns become more mature and expensive, B2C companies will need to identify new tools to grow their customer base organically. B2C firms that get ahead of the curve by adopting a model fueled by content and customer personas (i.e. “context”) and by coupling it with landing page optimization and testing best practices will enjoy a keen advantage over their peers who have missed this tectonic business shift.

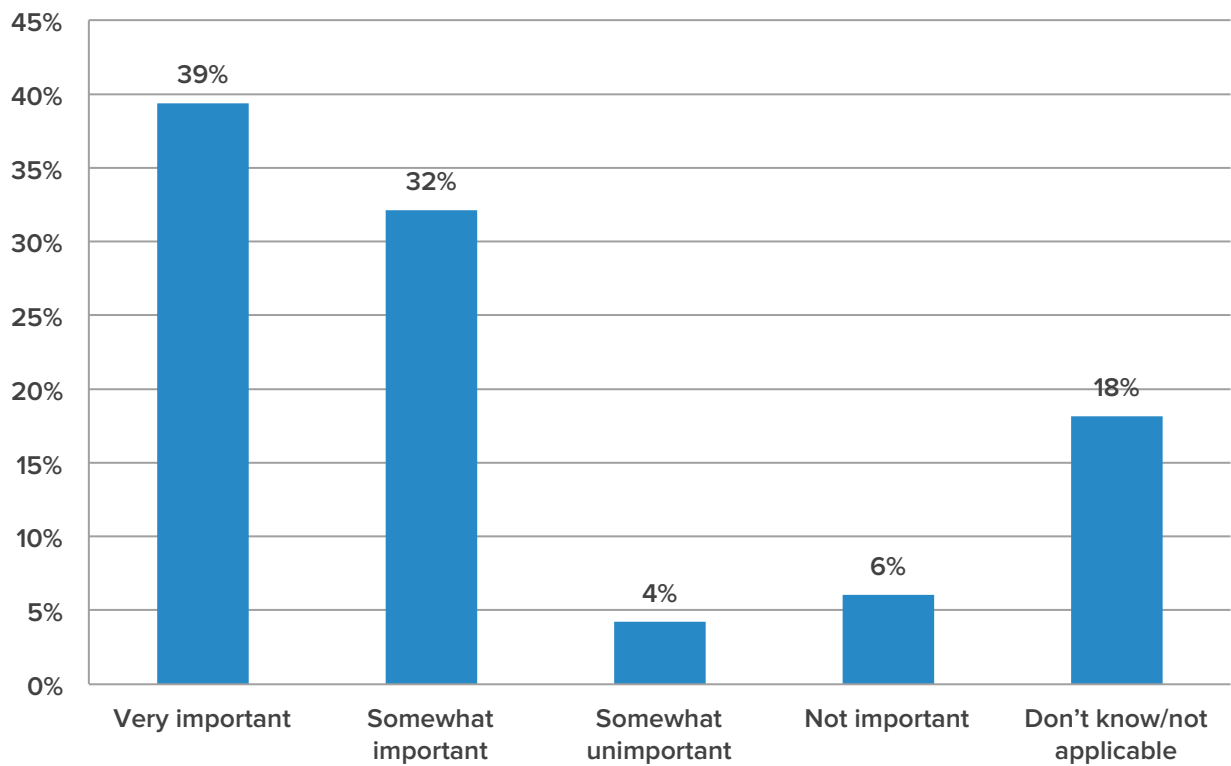
Chapter Three Appendix

1. What is a lead worth? 2013 lead scoring deployment

Q: How important is lead scoring to your marketing strategy

Execs Say Lead Scoring Critical to Results

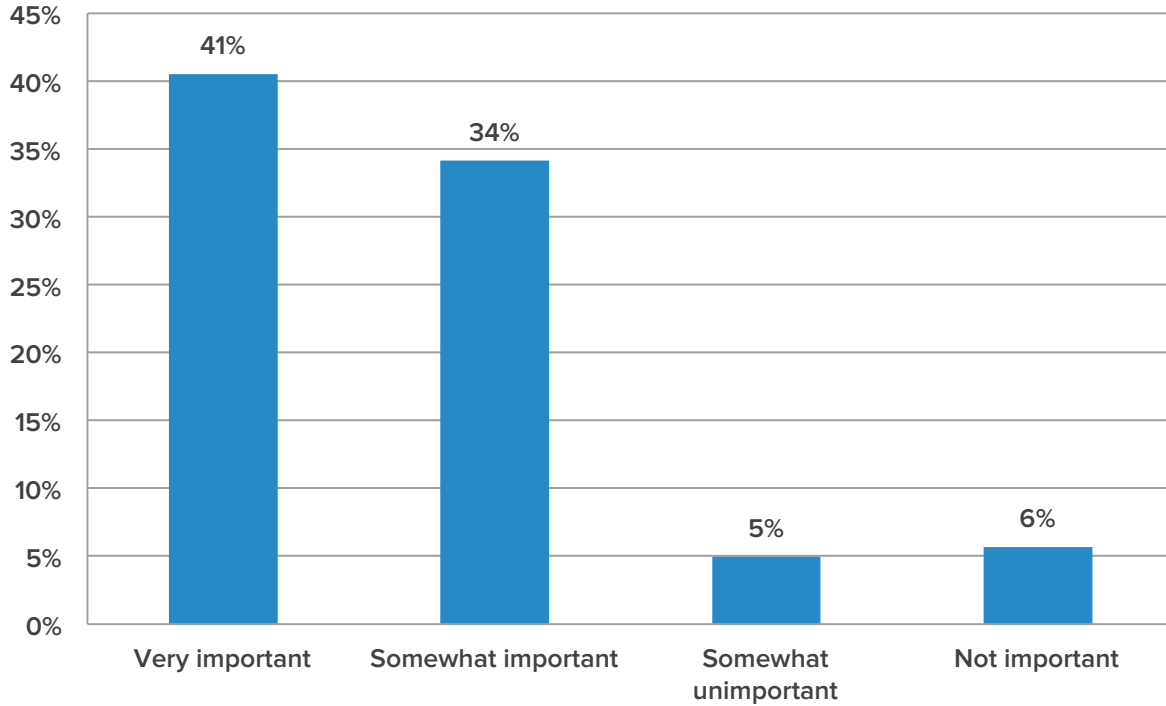
Scoring leads rated very important by 39% of CEOs



Q: How important is lead scoring to your marketing strategy

International Firms' Lead Scoring Practices Outpace Industry Average

75% of international marketers report lead scoring somewhat important



2. How does your website measure up? Average website conversion rates

Q: To the best of your ability, please write your company's following average website conversion rate

Website Conversion Rates Fall Within the 8% to 13% Range

Medium-Sized Companies Lead Small, Enterprise Site Conversion Rates

Employee Size	Average Website Conversion
Small (1-5)	8%
Medium (6-200)	13%
Enterprise (200+)	10%

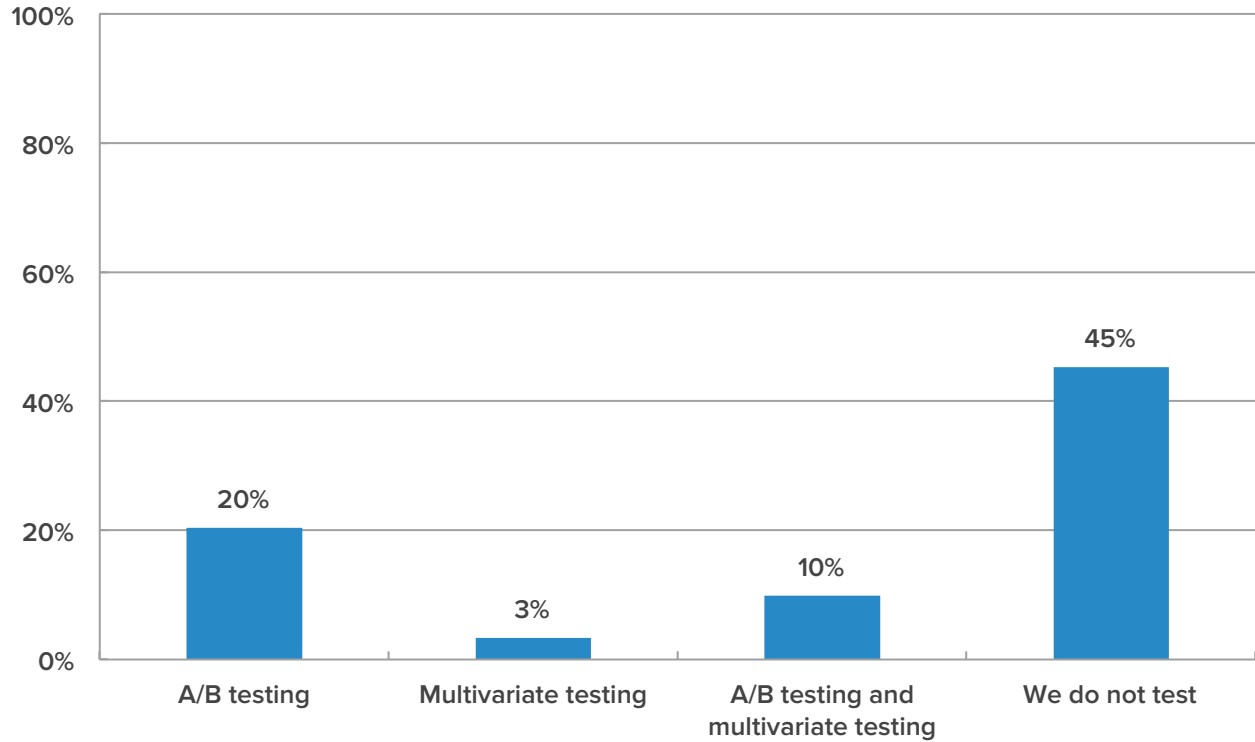
B2B Websites Net Higher Conversions Than B2C Sites

Sales Channel	Average Website Conversion
B2B	9%
B2C	8%

3. Who is testing? Marketers reveal 2013 testing practices

Q: What kind of testing does your company use to support your marketing efforts?

Testing Largely Ignored by Marketers
66% of marketers do not test their inbound tactics

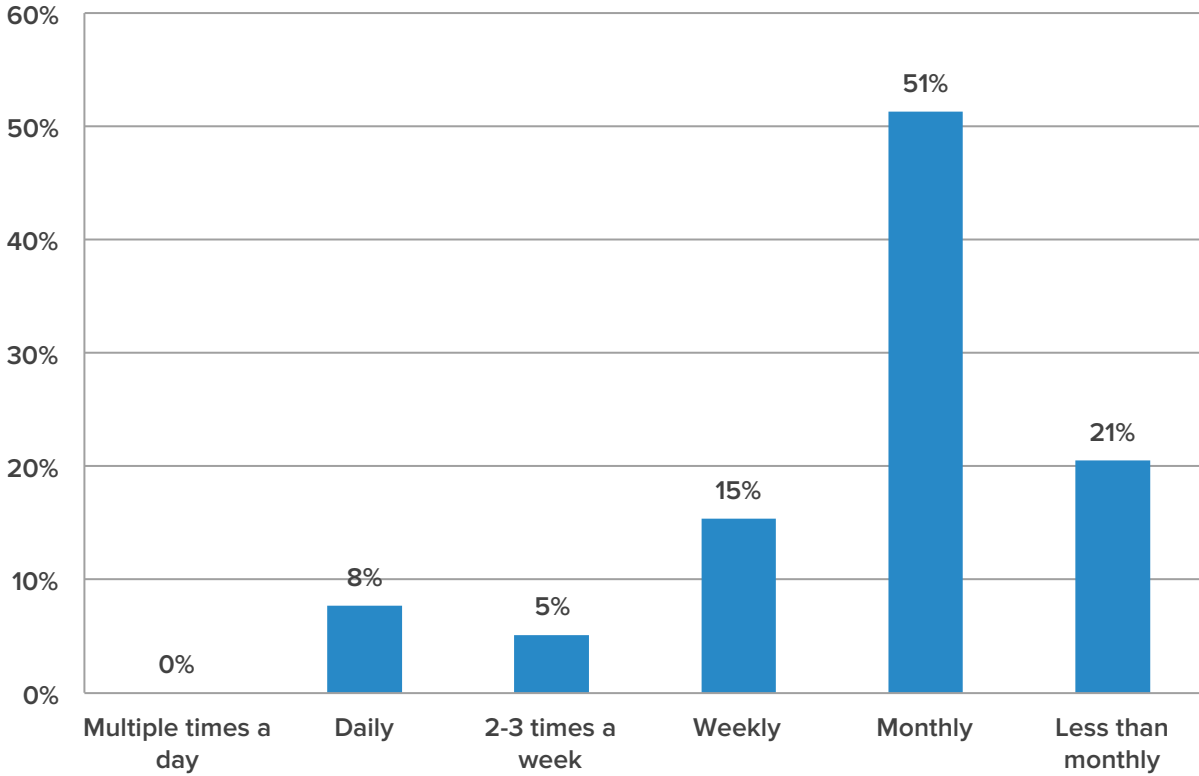


4. How often should you test? Industry standards for testing

Q: How frequently do you use A/B testing and/or multivariate testing?

CEOs Proponents of Monthly Testing

Monthly tests the norm for 51% of executives who optimize their results

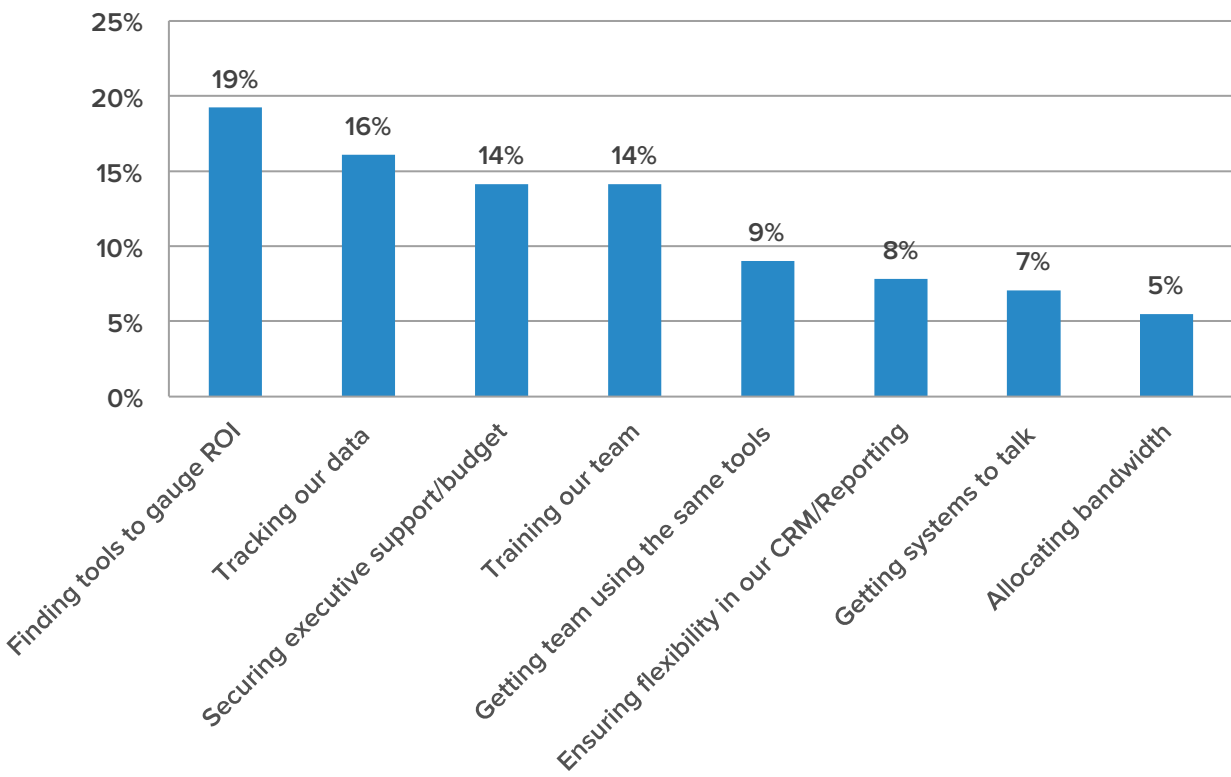


5. What are marketers' technology pain points? Technology challenges in 2013

Q: Which of the following statements, if any, describe the major challenges your company faces in using your marketing technology solutions?

CEO Tech Challenges Align with Industry Averages

Nearly 20% of C-suite marketers say gauging ROI the principle technology concern

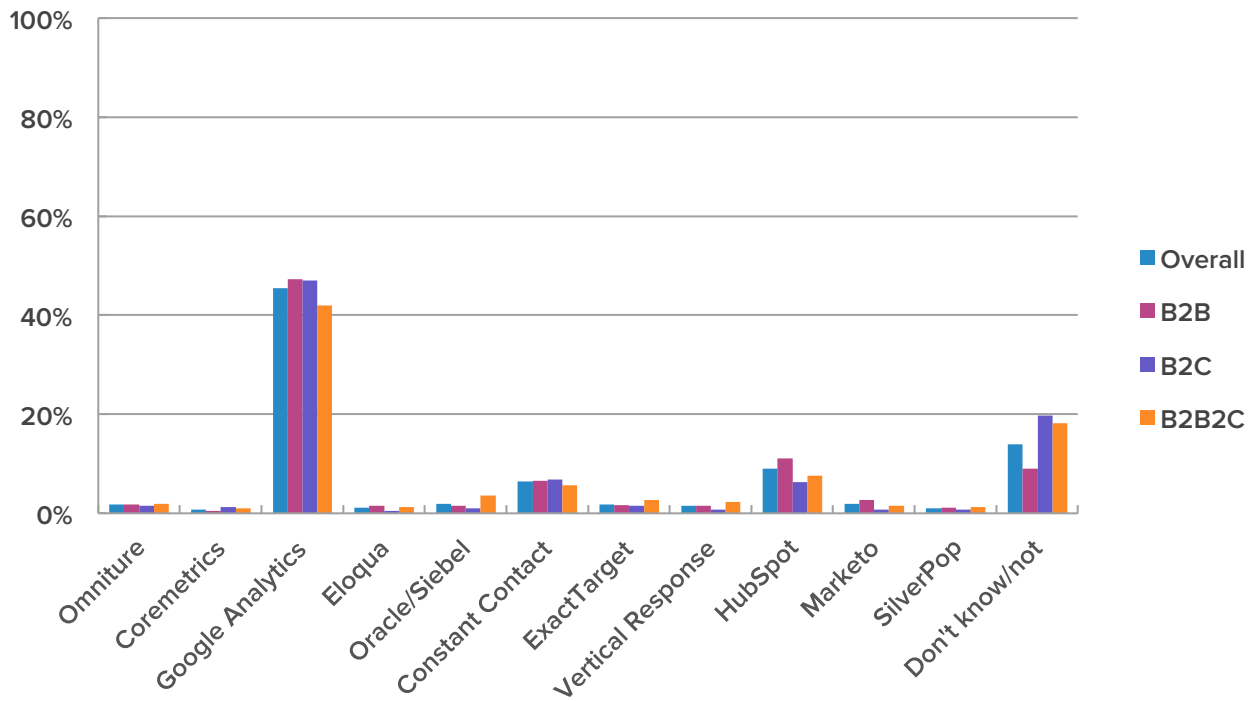


6. What are the must-have inbound tools? Marketers' 2013 inbound software menu

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Inbound Marketing Software More Prevalent Among B2B Marketers

B2B companies 83% more likely to deploy HubSpot than B2C peers





CHAPTER 4 | **WHO DOES INBOUND?**

Building a Successful Inbound Marketing Team

The final chapter looks at key personnel decisions that allow marketers to build a world-class inbound marketing team. It identifies how to best prioritize day-to-day activities and deploy resources in channels that best achieve their company's annual business goals.



Chapter Four Table of Contents

- 1. Who should be on your team?**
2013 Full-Time Inbound Staffing
- 2. Where do marketers spend their time?**
Dedicated Full-Time Marketers Per Channel
- 3. Who is hiring?**
Estimated Inbound Marketing Team Growth in 2013



Chapter Four: Who Does Inbound? Insights to Help Build a Successful Inbound Marketing Team

A marketing team's most valuable asset is its people. To realize the dramatic lead generation potential offered by inbound marketing, marketers need to discern how to best prioritize their day-to-day activities and deploy their resources in channels that best achieve their company's annual business goals.

The final chapter of our 2013 State of Inbound Marketing Report looks at key personnel decisions that will help you build a world-class inbound marketing team.

Included in Chapter Four are sections on:

1. Who should be on your team? 2013 full-time inbound staffing
2. Where do marketers spend their time? Dedicated full-time marketers per channel
3. Who is hiring? Estimated inbound marketing team growth in 2013

Key discoveries

- **Marketers are working in very small teams:** Eighty-one percent of all inbound teams contain fewer than six people. This small team environment is pervasive at every level of the industry, as 31% of companies with 200+ employees still work in five-person teams or fewer.
- **Social media leads marketing staffing assignments:** Social media staffs more full-time employees than any other team, with 16% of companies engaging a full-time social media practitioner.
- **Marketing also dedicating resources to content curation:** Ten percent of companies have a dedicated content marketer, and 9% have either a full-time SEO expert or blog lead. This shows marketers' clear commitment to developing content-rich inbound strategies.
- **Social, SEO and blogging produce resource-efficient leads:** Forty-three percent of marketers generated a customer via their blog this year, though the blog requires roughly 9% of marketers' total full-time staff dedications and 7% of their total budget. With minimal time allocation, blogs produce low-cost leads for 24% of the marketing community.
- **It's a good economy to be an inbound marketer:** While most marketing teams will begin 2013 with five people or fewer, most will at least double by the end of the year. Inbound marketers plan to hire an average of 9.3 people this year, which is 125% more growth than

4 Who Does Inbound? Building a Successful Inbound Marketing Team

teams not executing inbound marketing. Enterprise companies expect the most growth, expressing plans to hire an average 18.6 full-time marketers this year.

What to do with these lessons:

1. **Get ready to hire:** If you're a manager or executive, think about your hiring practices – do you have enough marketers to support your leads goals? Remember: your marketing team needs both the bandwidth and expertise to deliver the right kind of leads your business needs to support its growth goals. With this general shortage of inbound marketing expertise, think about hiring someone who “gets” inbound – we expect them to be in short supply given marketers' predicted hiring goals for 2013.
2. **Work smarter, not harder:** If you currently work with a small team, or are unable to hire at this moment, try to maximize your efforts. Repurposing content and finding technology tools and solutions to scale your workload are both smart ways to help ease a time-strapped workload.
3. **Focus on your content:** Developing exceptional content is a key differentiating factor for inbound. To “do” inbound marketing, you need to create exceptional content.

1. Who should be on your team? 2013 full-time inbound staffing

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The fact that only a small percentage of marketers are focused on content creation is not surprising. It requires a significant amount of 'sweat equity' and it's often very bespoke. I expect this figure to rise over time as content strategy moves into greater focus, in part, because of the media's willingness to feature it as the economics of their business shift dramatically due to programmatic buying.

- Steve Rubel
Chief Content Strategist, Edelman
<http://edelman.com>

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The past five years have been hard on our economy and, consequently, on marketing headcounts. While the official “end” of the recent recession was roughly 2009, employment rates, always a lagging economic indicator, are only just beginning to turn around.

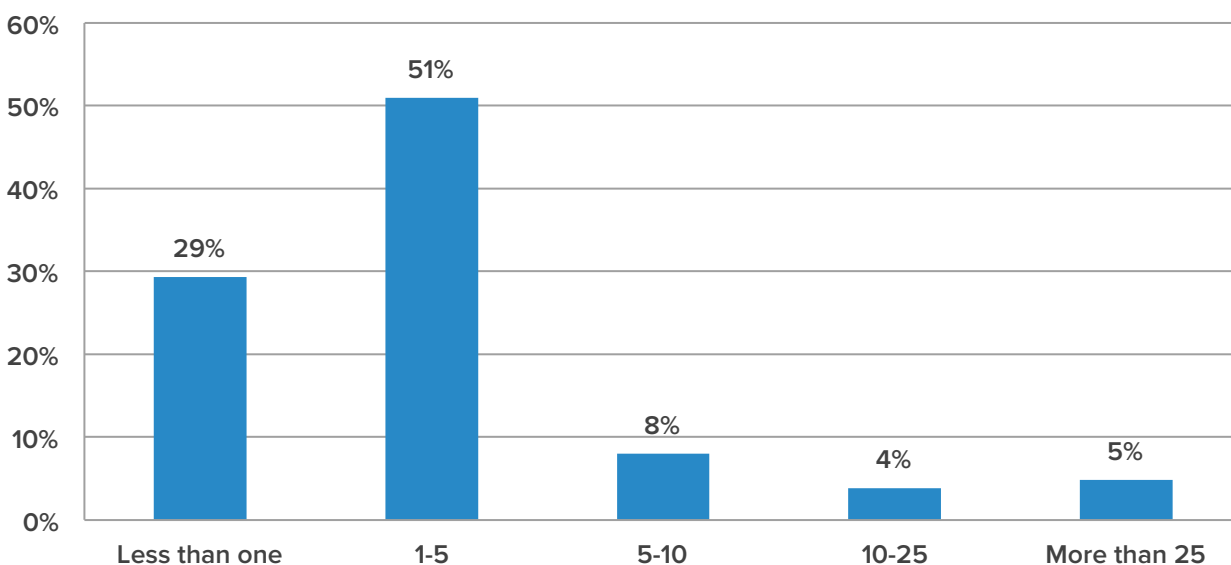
To find out how deeply the economy has affected inbound marketing bench strength, we asked how many full-time marketers companies allocated to inbound for 2013.

As you can see in the chart below, most teams continue to function with a minimal head count. Nearly 30% of marketers don't even have one full-time marketer dedicated to inbound, and 51% of marketers rank between one and five inbound team members. Meanwhile, less than 5% of companies responding to our 2013 State of Inbound Marketing Survey indicate they work in inbound marketing teams of more than 25 people.

Q: How many full-time marketers does your company have?

Inbound Marketing Teams Average One to Five Members

51% of all inbound teams contain fewer than 6 people



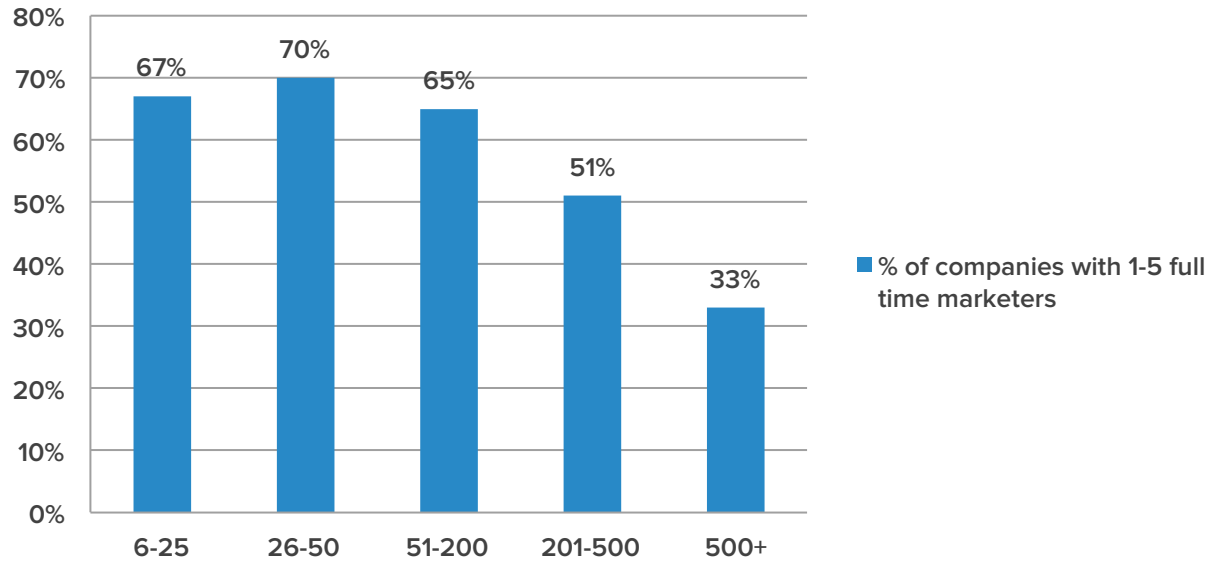
What does this mean? Inbound marketers are exhausted! Inbound marketing is a resource-intensive strategy, and our industry is juggling a vast amount of work – from developing white papers and regular blog posts, to social media outreach and research, to analytics tracking – with very few team members.

When we normalized the data by company size, we found that enterprise-level firms were, in fact, operating in even smaller relative teams than their peers.

Q: How many full-time marketers does your company have dedicated to inbound?

Enterprise Firms Report Comparatively Small Teams

31% of firms with 200+ employees still work in five-person teams



4 Who Does Inbound? Building a Successful Inbound Marketing Team

As you can see in the chart above, 50% of companies with between 200 and 500 employees execute inbound marketing campaigns using teams of five or fewer people. While this percentage drops to roughly one-third of companies with more than 500 employees, it is still a stunningly small number of people executing inbound campaigns. No wonder these teams don't have time to test more than once a month!

Some reports of comparatively small teams may be a result of our survey sample. Of companies responding to the 2013 State of Inbound Marketing Survey, 43% report they have between one and five people in their total marketing teams, not just those dedicated expressly to inbound.

Across the pond and beyond, international marketing teams follow similar staffing patterns, with 50% of respondents indicating they work in small teams of between one and five people.

“

We'd love to be able to do more inbound marketing, but resources are extremely tight, and we all wear several hats. As a result, our lead gen efforts are essentially lists, email marketing, and telemarketing.

- Marketer insight

2013 State of Inbound Marketing Survey

”

2. Where do marketers spend their time? Dedicated full-time marketers by channel

In an ideal world, marketers would have unlimited time and teammates, which would allow them to dedicate one person to each of their marketing channels. As we just established, however, even large companies are executing their marketing campaigns with an average of five or fewer people.

Given this resource strain, marketers have to make strategic decisions about which channels receive dedicated time and which channels they believe are more “nice to haves.”

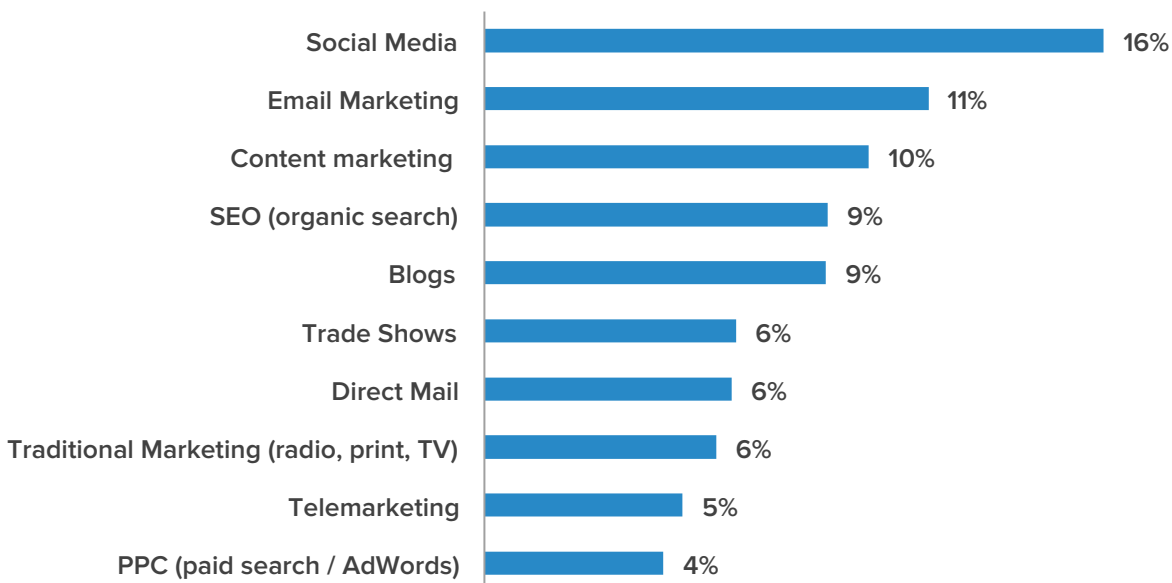
However, with inbound marketing adoption up and 48% of firms increasing marketing budgets for 2013, we would expect that marketing teams would be experiencing a similar growth spurt. To understand how best-in-class marketing teams were dividing and conquering marketing, we asked marketers how many full-time staff members they allocate to each of the major channels.

Industry-wide, social media and email marketers enjoy more full-time employees than any other teams, with 16% of companies engaging a full-time social media maven and 11% paying a dedicated email marketer.

Q: How does your company dedicate its full-time marketers to the following channels?

Social Media Consumes Most Personnel Resources

16% of companies employ a full-time social media marketer



4 Who Does Inbound? Building a Successful Inbound Marketing Team

Moving down the inbound line, 10% of companies have a dedicated content marketer and 9% have either a full-time SEO expert or blog lead.

Overall, 10% of marketing teams dedicate at least one full-time member purely on developing content. This, along with the 9% of firms employing at least one blogger – who, presumably, is also generating significant content on a regular basis – is proof that marketers are committed to effectively executing inbound strategies and understand the vital role that good content plays in marketing today.

As we have seen throughout this report, traditional advertising is declining industry-wide, as executives dedicate less budget and personnel over time. Still, traditional marketing roles have not completely disappeared. In fact, 6% of marketers continue to dedicate time exclusively on each trade shows, direct mail, and telemarketing.

It is unclear whether these are the last holdouts of a dying business model or an indicator that marketers need to better integrate inbound efforts with more traditional marketing styles. Either way, it should be fun to watch how these staffing metrics change over time.

It's no secret that inbound marketing requires effort. It takes time to be a thought leader, between developing remarkable content, maintaining your social presence, and measuring results – never mind optimizing or testing.

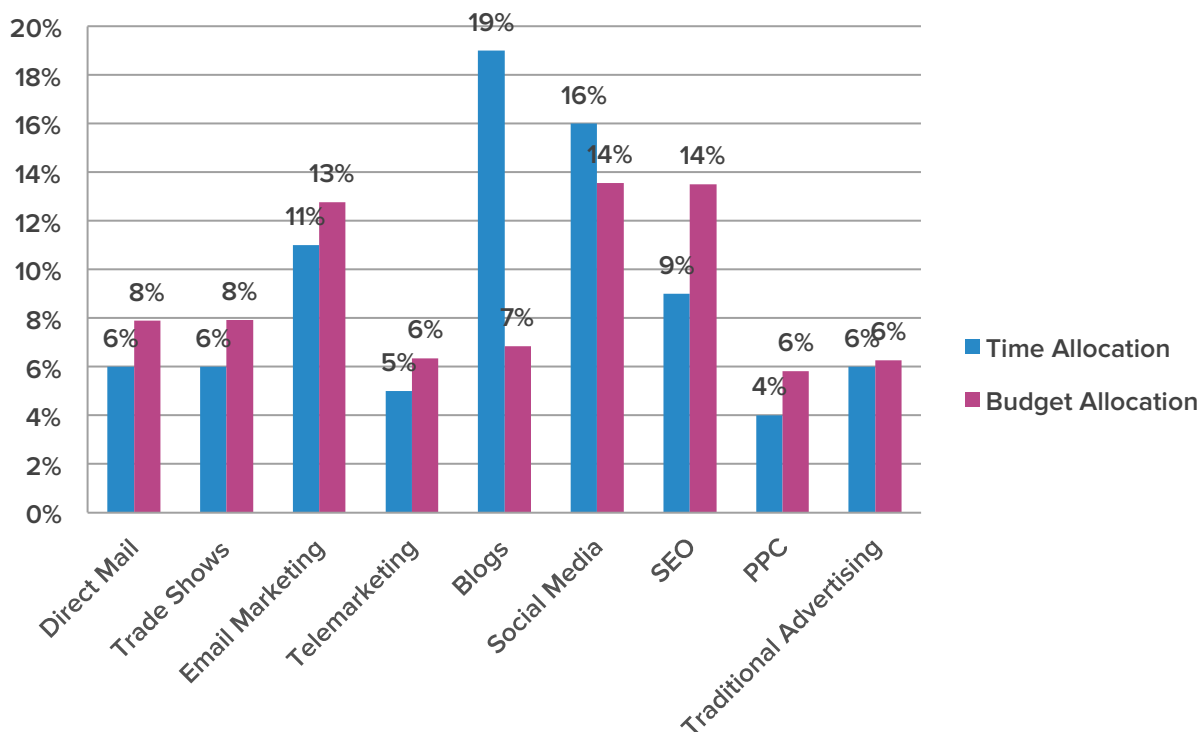
Despite the perception that inbound marketing is “too hard,” we saw in Chapter Two’s review of inbound marketing’s average lead generation and conversion rates that it is, in fact, efficient. Plus, traditional marketing is far from resource neutral. It takes a lot of time and effort to stand at a conference for a week, but you generate a lot less total traffic from these efforts. To survive as a company, you have to bring in leads, and inbound marketing is twice as effective as traditional outbound strategies at doing just that.

4 Who Does Inbound? Building a Successful Inbound Marketing Team

Q: How does your company dedicate its full-time marketers to the following channels?

Blogs, SEO Cost Marketers Time But Not Money

Marketers spend 55% more time than budget on blogging



The chart above looks at both the time and budget marketers allocate to their various strategies. Clearly, maintaining a regular social media presence takes some dedication, but it also requires less budget influx than other marketing tactics. Further, the 16% of marketers who dedicate their time to social media in 2013 will also deliver the highest proportion of leads, at 14%.

Similarly, while blogs require roughly 9% of marketers' total full-time staff dedications, they also demand just 7% of marketers' total budget outlay this year. This chart looks terrific when you consider 43% of marketers generated a customer via their blog with less than 10% of total time allocation.

4 Who Does Inbound? Building a Successful Inbound Marketing Team

Is the Effort Worth It?

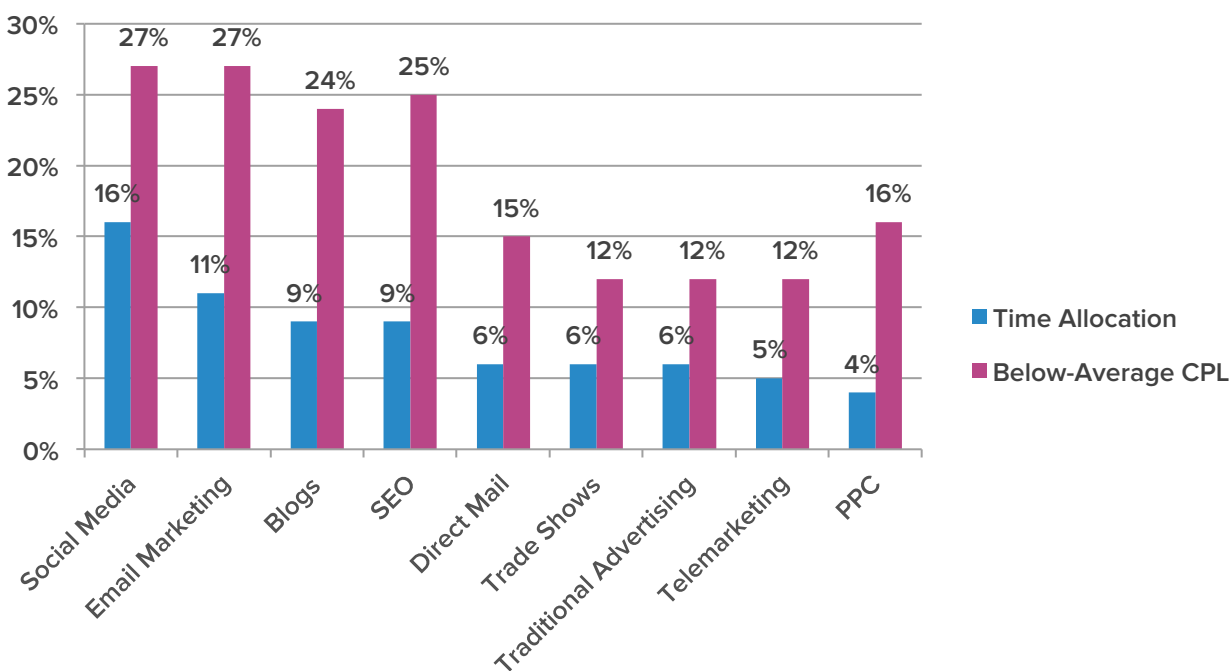
To further prove the case for inbound, we dug into this data to determine which personnel allocations produce the most bang for a marketer's buck

The chart below reviews full-time staffing practices compared with budget allocations and average lead generation costs. As you can see, social media, email marketing, and SEO all generate below average costs per lead, but they require less time than other lead sources. Similarly, blogging accounts for just 9% of companies' overall time, but it produces low-cost leads for 24% of the marketing community, a 15% difference.

Q: How does your company dedicate its full-time marketers to the following channels?

Inbound Strategies Show Positive CPL vs. Effort

Inbound, social media, SEO require effort, but generate low CPLs



According to our survey, even the most time-intensive inbound strategy, social media, requires just 10% more effort on average than most traditional marketing roles, which run at about 6% of all full-time staffing assignments. Given the fact that inbound marketing is proven to bring in double the leads, this is time well spent.

Similarly, in the Chapter Four Appendix you can see the results of charting marketers' overall time allocations against their average sales conversions. SEO wins this analysis. While SEO consumes an average 9% of marketers' overall time, its leads convert to sales at an industry-leading 15%, which is 50% better than trade shows, the leading traditional marketing channel.

4 Who Does Inbound? Building a Successful Inbound Marketing Team

As inbound marketing evolves, so too will the tools marketers use to execute their daily activities. These advancements will make inbound marketing even more efficient at driving leads. As we saw in the technology section in Chapter Three, most marketers are currently cobbling together their inbound analytics using free Google tools and some other combination of email and social media outreach, which can be incredibly time-intensive to manage.

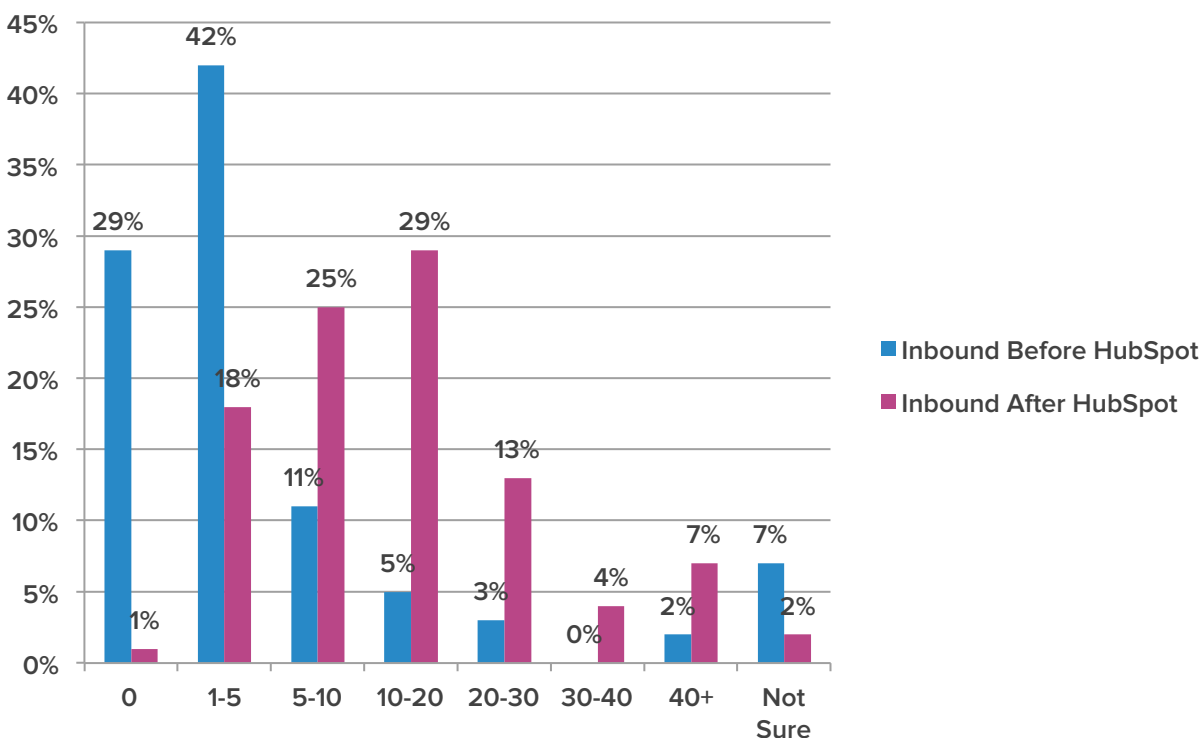
In a recent 2013 HubSpot customer ROI survey, we asked 236 current HubSpot customers about their time allocations using inbound versus outbound marketing before and after incorporating inbound software.

As you can see in the chart below, marketing teams that implemented inbound marketing software average just between 5 and 20 hours per week executing inbound tactics. This is hardly an overwhelming commitment, despite some industry naysayers' perception that inbound requires exhaustive effort to achieve results.

Q: How much time per week do you spend on inbound marketing? (Segmented by date of HubSpot software purchase)

Access to Technology Increases Inbound Marketing Activities

Marketers implementing HubSpot software average 5-20 hours executing inbound weekly



4 Who Does Inbound? Building a Successful Inbound Marketing Team

With this relatively minimal output, as we showed in Chapter Two, HubSpot customers also simultaneously increase both their site traffic and overall lead generation efforts, often at exponential levels. As inbound tools become more widespread and cost-effective, we will see marketers use them to work smarter, not harder, which will free up even more time for marketers to execute campaigns.

3. Who is hiring? Inbound marketing team growth in 2013

As we mentioned in the first part of this chapter, the lagging economy has taken a significant toll on marketing staffs over the past several years. Most marketing teams are making due with five or fewer members at the outset of 2013.

As we watch the economy turn and budgets for inbound marketing grow, we wanted to find out if CMOs and other hiring managers were going to similarly increase their bench strength this year, so we asked marketers how many full-time marketers their companies plan to hire this year.

We discovered that we are about to be in a hiring boom. While most marketing teams are starting out with five or fewer people this year, most will at least double by the end of the year. On average, marketers plan to hire 4.5 team members in 2013.

Q: How many full time marketers does your company plan to hire this year?

Inbound Marketing Teams Plan For Significant Growth

Average inbound teams will grow by nine in 2013

Inbound?	Average # of Marketers to Hire This Year
Yes	9.3
No	4

It's a very good time to have the term "inbound marketer" on your résumé because companies executing inbound strategies plan to hire an average 9.3 staff members this year, more than twice the levels of those not implementing inbound. Clearly, marketers are learning about the effort it takes to do inbound well and are boosting both their budget outlays and hiring goals correspondingly.

Q: How many full-time marketers does your company plan to hire this year?

Enterprise Teams Expanding

Large companies plan to hire an average of 18.6 marketers this year

Employee Size	Average # of Marketers to Hire This Year
Small (1-5)	1.1
Medium (6-200)	2.5
Enterprise (200+)	18.6

Enterprise companies are on a similar inbound marketer gold rush this year, reporting plans to hire an average of 18.6 full-time marketers. This may seem like a lot, particularly in light of the average of 2.5 marketers medium-sized firms are looking to add, but remember, large companies are now operating with comparatively minute teams, and this double-digit staffing increase should raise teams to a more reasonable size.

Remember: Your marketing team needs both the bandwidth and expertise to deliver the right kind of leads your business needs to support its growth goals.

At HubSpot, we are currently hiring approximately 30 people per month, including a number of marketers and content creators. While we have a relatively large marketing team – as of publication, we have just fewer than 50 total teammates – we need this impressive bench strength to support our company growth goals. We also deliver nearly 80,000 leads per month, which justified this headcount.

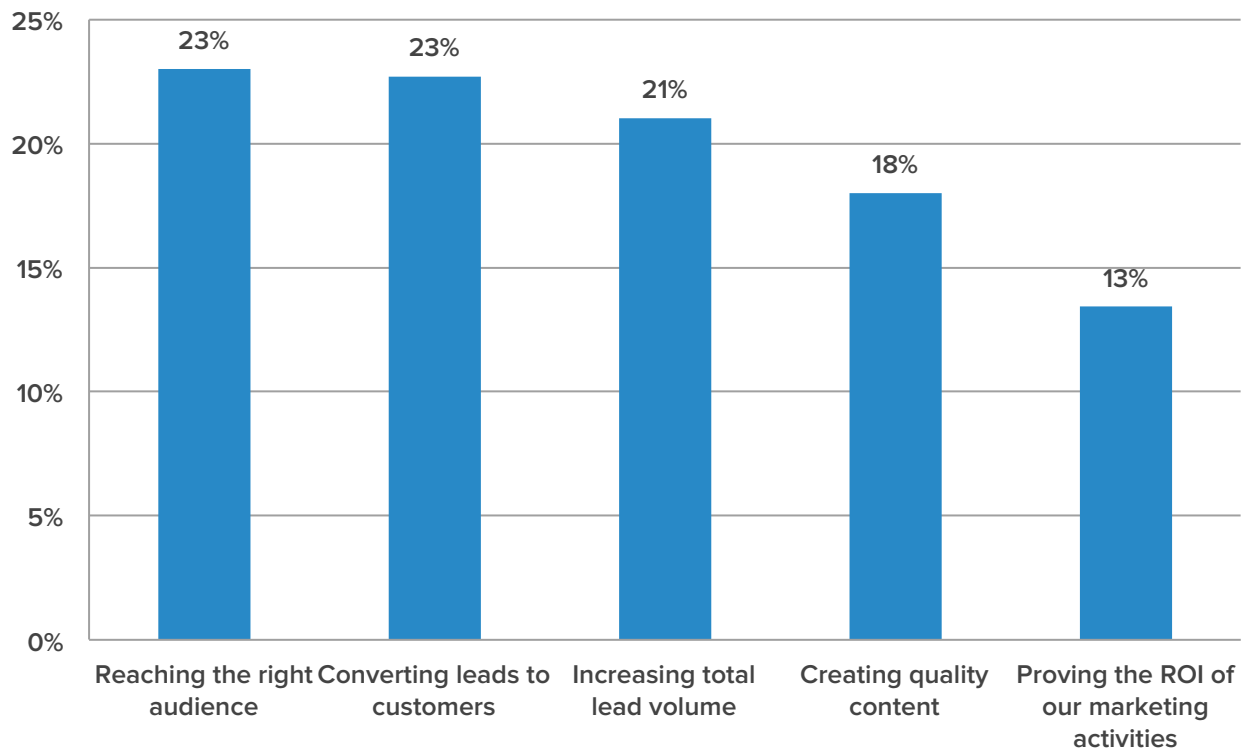
Chapter 4 Appendix

1. Who should be on your team? 2013 full-time inbound staffing

Q: How many full time marketers does your company have?

International Marketers Similarly Focused on Audience, Lead Conversion

Reaching the right audience and converting customers are top global priorities in 2013

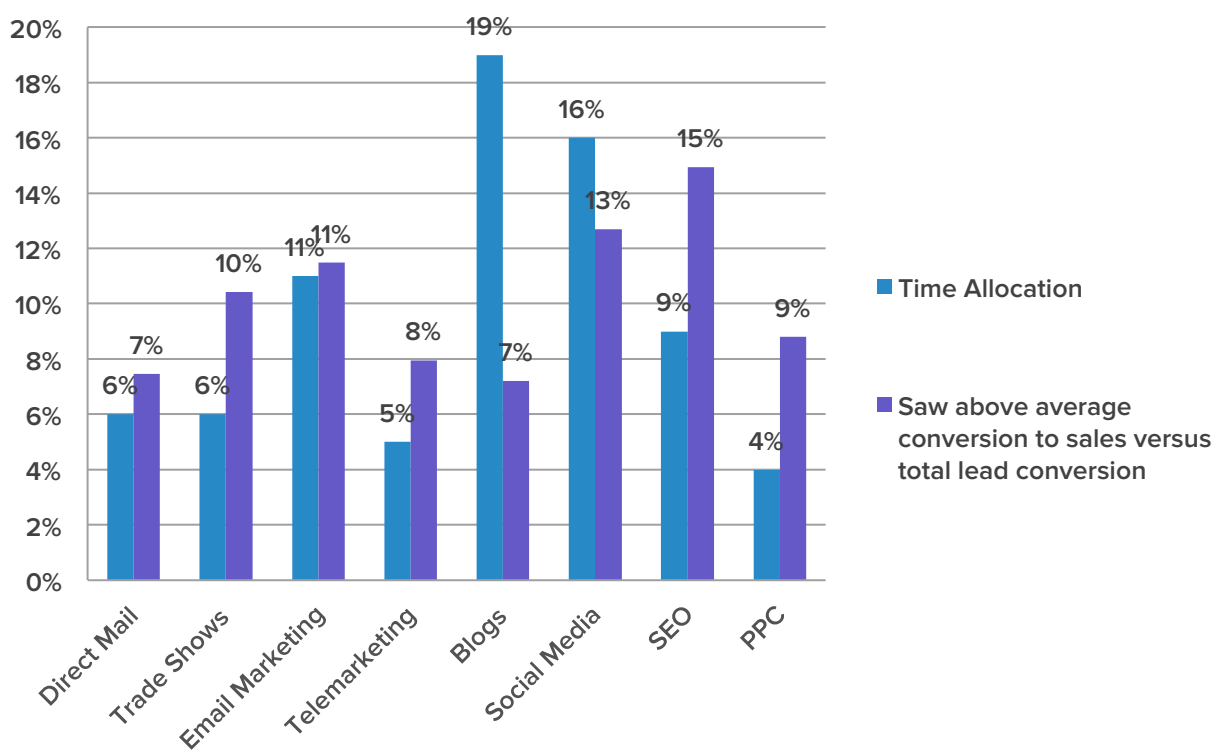


2. Where do marketers spend their time? Dedicated full-time marketers by channel

Q: What percentage of your company's leads generated in the channels listed below convert to sales versus your total lead conversion?

SEO Leads Inbound Strategies Averaging High Sales Conversions to Budget Outlay

15% of marketers reported above-average SEO conversions in 2013



ADDITIONAL RESOURCES

Demographics and Survey Methodology



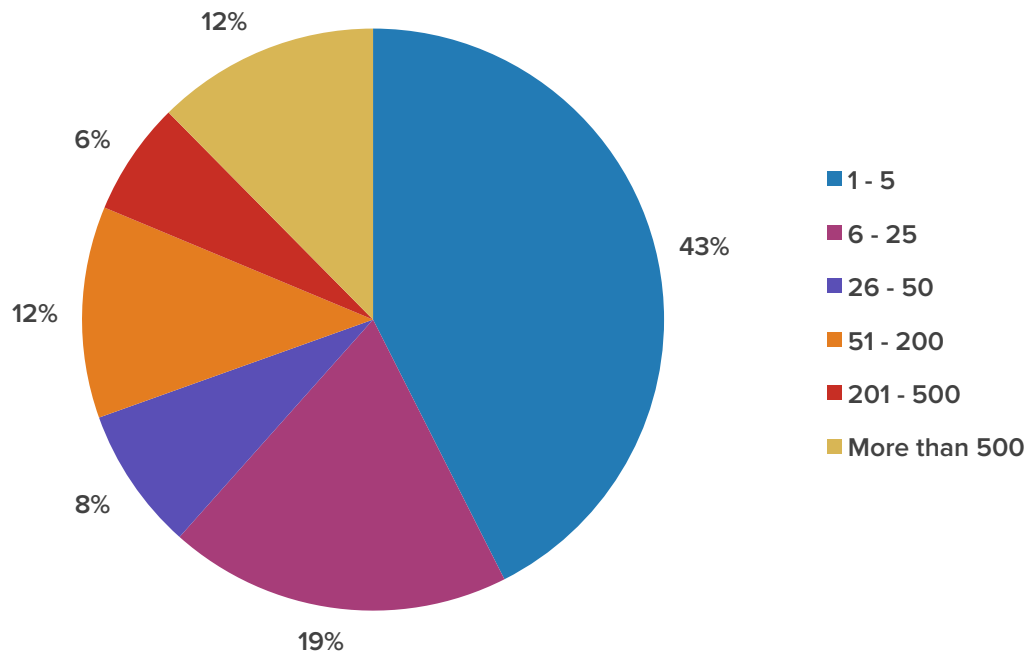
Additional Resources

1. Survey demographics

Q: How many full-time employees does your company have?

Small Companies Lead Inbound Marketing Adoption

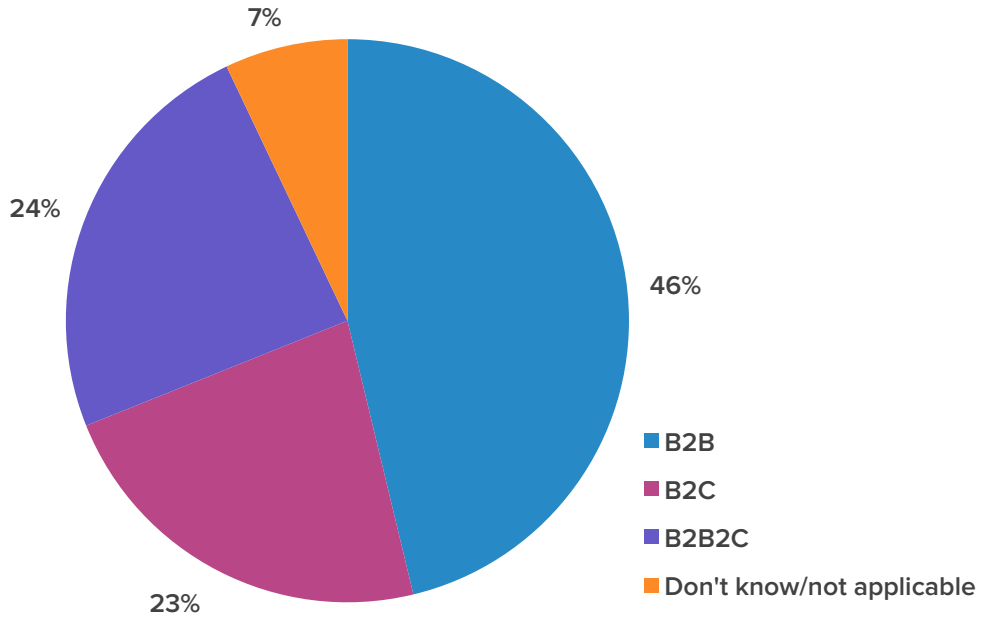
43% of inbound companies have one to five employees



Q2: Which best describes your company's primary sales channel?

B2B Business Embrace Inbound Marketing

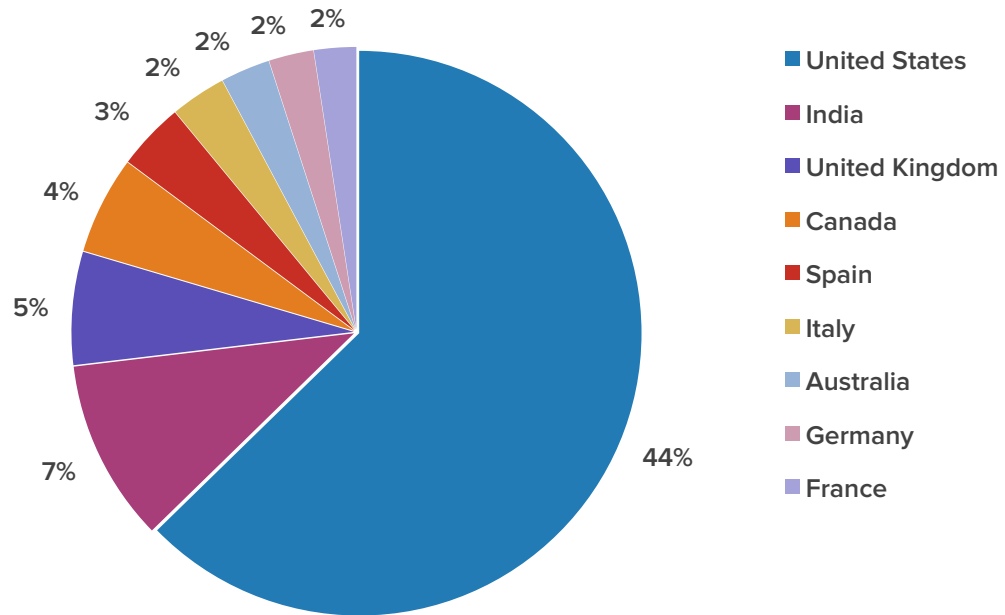
Nearly half of companies surveyed sell primarily B2B



Q3. In which country is your company primarily based?

U.S. Remains the Front-runner of Inbound Marketing Adoption

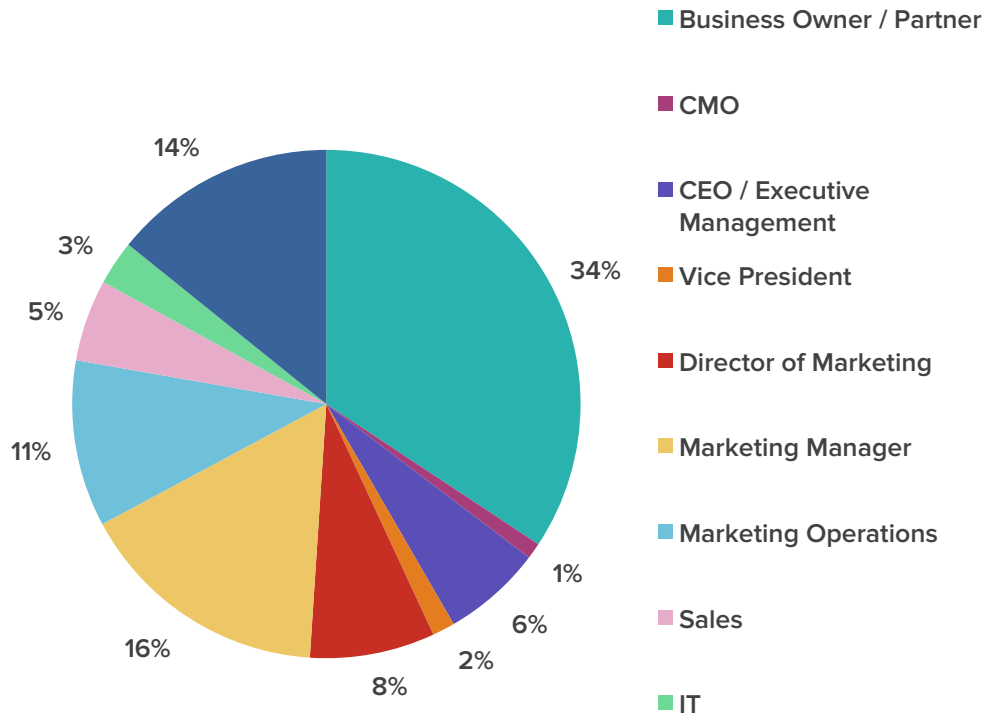
U.S.-based companies comprise 63% of survey respondents



Q4. What best describes your role?

Business Owners, Marketing Managers the Most Invested in Inbound

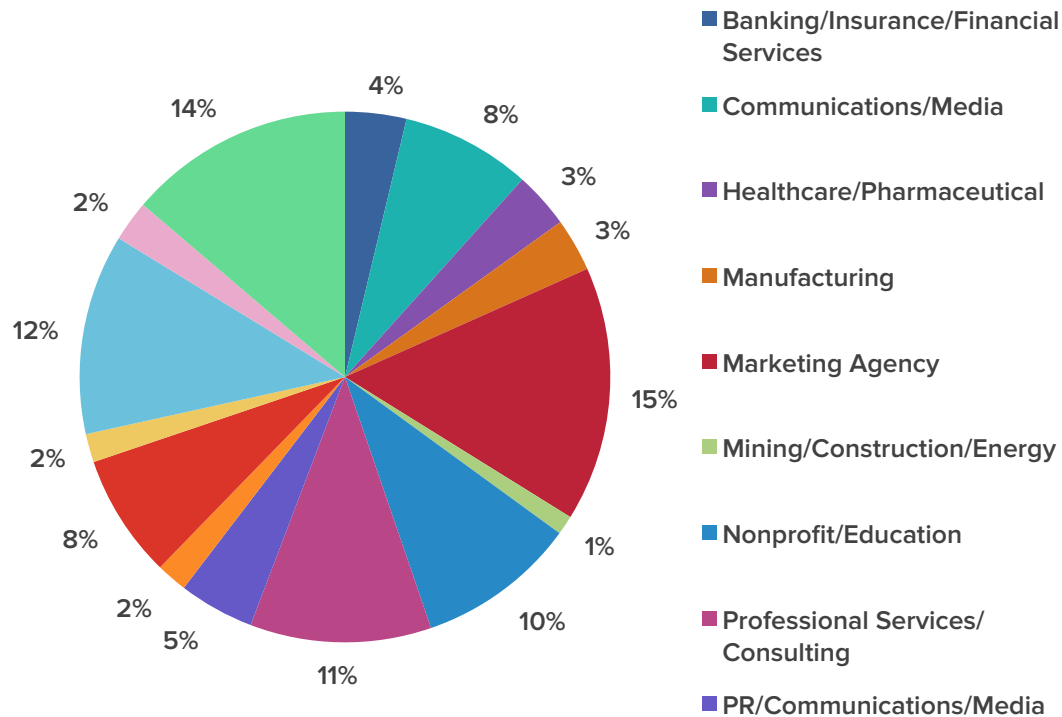
Leading survey respondents included 34% business owners and 16% marketing managers



Q5: What industry best describes your company?

Inbound Marketing Touches Nearly Every Major Industry

Survey shows a broad mix of business types, lead by agencies



2. Survey methodology

HubSpot fielded our 2013 State of Inbound Marketing Survey between January 31 and February 14, 2013. The query took the form of an online survey, to which there were 3,339 qualified complete and partial responses from marketing and business professionals in 128 countries on six continents, including North America, Europe, Asia/Pacific, Australia, South/Central America, and Africa.

Survey respondents included business owners, marketing practitioners, marketing managers, marketing directors, CEOs, CMOs, and agency sales and IT professionals from a variety of industry sectors, including technology (software and hardware), professional services/consulting, marketing agencies, nonprofit/education, communications/media, retail and consumer goods, manufacturing, real estate, transportation/auto/travel, healthcare and pharmaceuticals, mining and construction, and banking/insurance/finance.

The sampling method was an incentivized, non-probability, voluntary sample composed of HubSpot prospects having expressed the willingness via opt-in to receive marketing-related email messages; those responding to invitations via social media promotion on LinkedIn, Facebook, and Twitter; and paid media outreach, including LinkedIn Group promotion and other paid email sends. As the goal of this survey was to assess the market saturation level of inbound marketing tactics (which are often decoupled from the larger framework), we did not exclude any responses, including those who indicated they did not implement inbound marketing strategies specifically.

The incentive for participating in the survey was entry into a contest to win wither a free iPad or \$500, as well as a free 55-page report, *Marketing Benchmarks from 7000+ Businesses*, which was made available for download upon completion of the survey.

To request further information about the design or conduct of this survey-based study, please contact Meghan Lockwood at research@hubspot.com.