

25 Marketing Lessons

B2B, Email, Search and Social Media Research from MarketingSherpa's *Chart of The Week*

Special Report

Provided Courtesy of:





MarketingSherpa's 25 Marketing Lessons

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Overview

HubSpot is an Internet marketing startup whose software helps businesses get found online, generate more inbound leads and convert a higher percentage of those leads into paying customers. HubSpot's software platform includes tools that allow professional marketers and small business owners to manage search engine optimization, blogging and social media, as well as landing pages, lead intelligence and marketing analytics.

- HubSpot was founded in 2006 by CEO Brian Halligan and CTO Dharmesh Shah and is based in Cambridge, MA across the street from MIT, where the company was conceived.
- General Catalyst provided \$5 million in VC funding in 2007.
- Matrix Partners provided \$12 million in VC funding in 2008.

Products

- HubSpot offers inbound marketing software that allows you to:
 - Generate more qualified traffic to your website
 - Capture more visitors as qualified leads
 - Convert more leads into paying customers
 - Analyze and optimize every step of the process
- With the HubSpot inbound marketing software, you can:
 - Quickly and easily edit your website
 - Generate traffic by adding a business blog
 - Improve search engine relevance, ranking and traffic
 - Collect intelligence on prospects
 - Analyze your lead generation trends
 - Analyze search terms and traffic referrals
- HubSpot requires no technical background or IT support, allowing everyday business and marketing people to easily generate leads and take advantage of Web 2.0 Internet marketing techniques. HubSpot's integrated approach allows for a more efficient way of tracking/measuring the success of your online marketing programs.

Resources

- HubSpot is a leader in all topics inbound marketing and regularly provides free resources such as webinars, whitepapers, eBooks, marketing tools, videos, communities, blog articles, studies and reports, etc.
- HubSpot offers free online tools at Grader.com that measure a variety of marketing initiatives' effectiveness.
- HubSpot manages an inbound marketing community at InboundMarketing.com.
- HubSpot offers an ongoing marketing retraining program called Inbound Marketing University at InboundMarketing.com/University.
- HubSpot produces a weekly Internet marketing video podcast called HubSpot TV at <http://hubspot.tv>.

Events, Accolades & Coverage

- HubSpot regularly speaks at, sponsors and participates in industry conferences and events such as OMMA Global, PubCon, Business of Software, Search Engine Strategies, SMX, Venture Summit, IMS, etc.
- HubSpot has won awards and been recognized by a number of organizations such as NEDMA, Mass High Tech, MassTLC, AlwaysOn, Red Herring, MITX, ad:Tech, etc.
- HubSpot has been featured in various media and publications including *The Wall Street Journal*, *Boston Globe*, *The New York Times*, *ABC News*, *Mashable*, *TechCrunch*, etc.

TABLE OF CONTENTS

INTRODUCTION MarketingSherpa's <i>Chart of the Week</i>	3
B2B CHARTS OF THE WEEK	4
Marketers Rank B2B Challenges	4
Comparing the Quantity and Quality of B2B Search-Generated Leads	6
The Long Road from B2B Lead Generation to Sales Conversion	8
Information Sources for Large Purchase Decisions Changing	10
How Well Managed is the Hub of Your Marketing Strategy?	12
Search is Generating the Bulk of B2B Leads – But How Good are They?	14
Managing the B2B Marketing-to-Sales Process	16
EMAIL CHARTS OF THE WEEK	18
How Effective is Email Marketing?	18
Marketers Weigh in on Importance of Email Marketing Objectives	18
Opt-in Email Lists Still Growing, Slowly but Surely	22
Do Email Tactics That Take More Work Get a Bigger Payoff?	24
Trend Analysis: Email Performance Since 2001	26
SEARCH CHARTS OF THE WEEK	28
What Search Capabilities are Having a Positive Effect?	28
Keyword Research Tactics Ranked by Efficiency	30
How Effective is Local Search?	32
Search Engine Marketers Rank SEM Challenges	33
How Do Your Search Conversion Rates Compare?	34
Measurement Mandatory for Search Marketers	36
Conversions are a “User-Defined Event” for Search Marketers	38
SOCIAL MEDIA CHARTS OF THE WEEK	40
What Social Media Marketing Objectives are Organizations Targeting and Measuring?	40
How Effective is Social Media in Achieving Target Business Objectives?	42
Social Marketers Preparing for the Challenges Ahead	44
What's Motivating the Social Relationship between Consumers and Companies?	46
Aligning Social Marketing Objectives with Corresponding Metrics	48
Multimedia Driving Skeptics to Become Social Media Release Converts	50

INTRODUCTION: MARKETINGSHERPA'S CHART OF THE WEEK

Fifty-two times a year, MarketingSherpa offers its renowned *Chart of the Week* – a concise, yet thorough visual summary of Sherpa's proven research, findings and lessons learned. Covering the questions and topics that today's marketers find most relevant, these charts take mere minutes to read, but provide the detailed information you need to make your marketing more effective.

Working with the researchers at MarketingSherpa, HubSpot has chosen 25 charts that have appeared within the last 12 months – research that we think offers valuable marketing lessons for the HubSpot community.

We've broken it into the following four sections:

- B2B
- Email
- Search
- Social Media

All of the research comes from MarketingSherpa's most recent benchmark reports:

- [2010 Social Media Marketing Benchmark Report](#)
- [2010 Email Marketing Benchmark Report](#)
- [Search Marketing Benchmark Report 2009-10](#)
- [B2B Marketing Benchmark Report 2009-10](#)

Best of all, each of these charts offers valuable and practical information, backed up by solid research – all of it designed to make your marketing more effective.

Enjoy!

The HubSpot Team

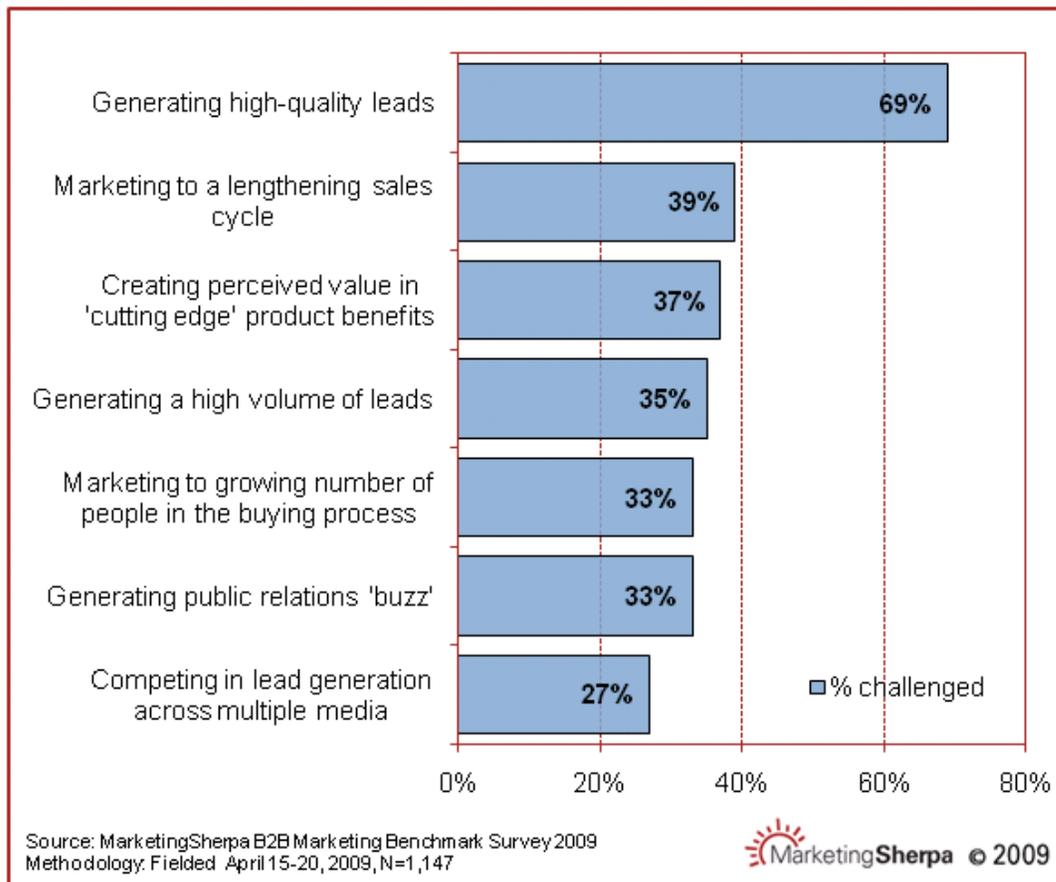


B2B CHARTS OF THE WEEK

MARKETERS RANK B2B CHALLENGES

SUMMARY: What are the greatest challenges that B2B marketers are facing? From generating high-quality leads and a high volume of leads to generating public relations buzz, see which challenges topped the list.

Today's Most Significant Challenges for B2B Marketers to Overcome



The call from the sales force is not "Give us more leads" – it's "Give us better leads." As you can see in the chart, marketing teams are aware of this issue and are responding to the challenge.

Depending on your lead generation process, lead quality may be the result of either the original state of the lead or of a nurturing process to determine if and when the lead is sales-ready. The latter case – a nurturing process – also addresses the second most significant challenge shown in the chart above: marketing to a lengthening sales cycle.

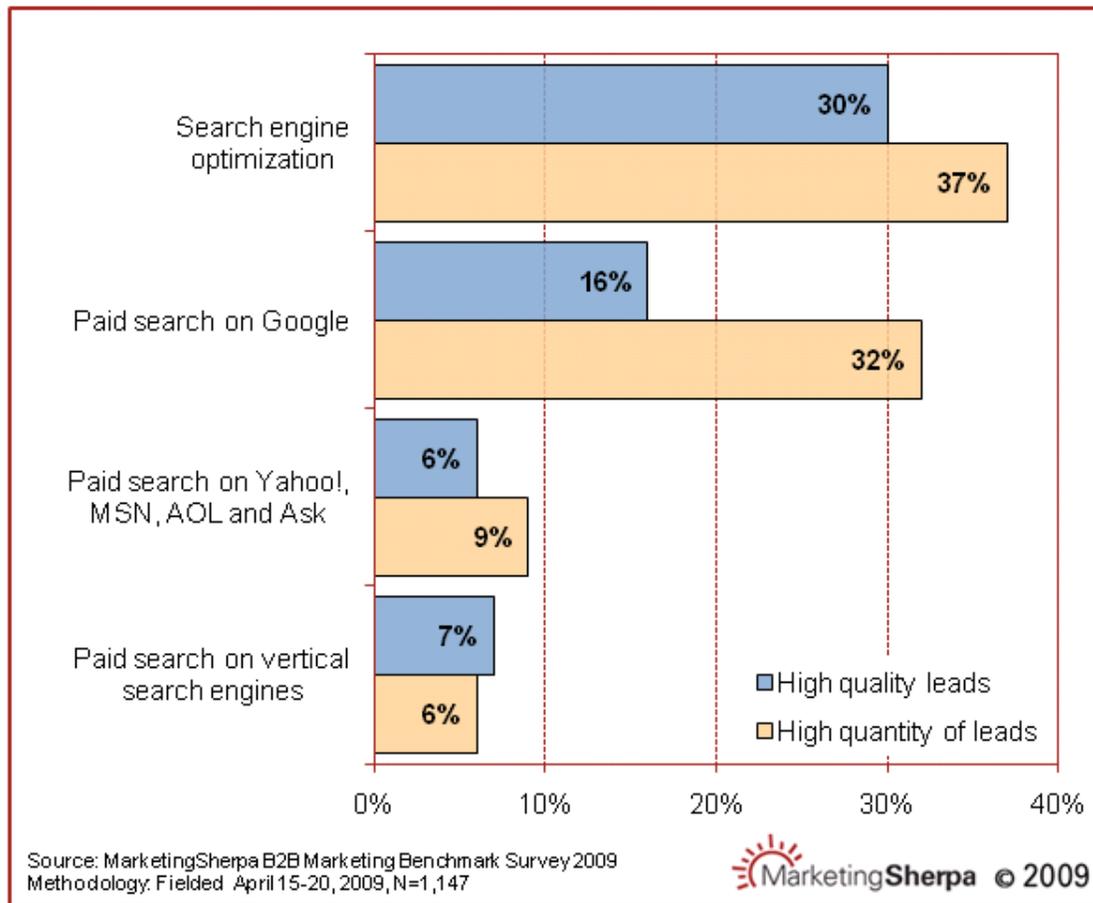
A strategic nurturing process not only identifies when a lead is sales-ready, but can pinpoint at which stage of the buying cycle the prospect is in, to forecast timely opportunities.

When the quality of a lead is dependent on its original state, it usually means that all but the most obviously disqualified leads are handed off to the sales force as they are generated. Surprisingly, this practice is still very common in B2B marketing.

COMPARING THE QUANTITY AND QUALITY OF B2B SEARCH-GENERATED LEADS

SUMMARY: The sales team is calling for not just more leads, but better leads. And while SEO generates the highest rates in both categories, it is paid search that enables marketers to control the timing and placement of search result listings.

High-Quantity vs. High-Quality Leads Generated by Search Sources



Google continues to separate itself from the field in terms of both the quality and quantity of leads generated by a paid search marketing provider. But the secret to optimizing paid search results obtained through any provider is the sequential relevancy of the search term to ad listing to landing page.

A search that produces a highly relevant ad listing for the search term used will increase the click through rate. A landing page offer that is highly-relevant to both the search term used and the ad listing will increase the conversion rate.

Search is used in a variety of capacities throughout the buying process. Top activities conducted at search sites include researching a problem or technical need, understanding technology product features or specifications, finding product reviews and finding information on a particular service or vendor.

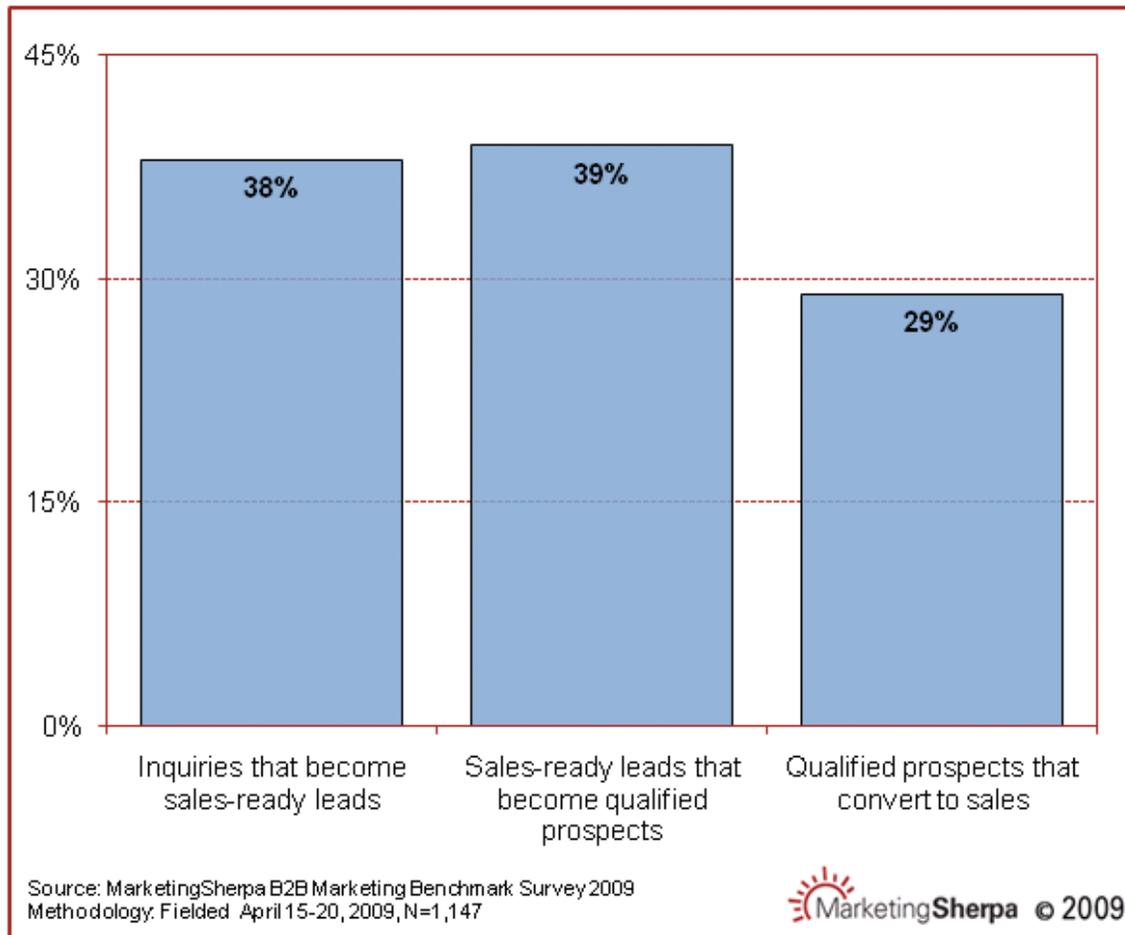
While paid search gives marketers more control, natural search page rankings driven higher by search engine optimization tactics generate as many high-quality leads as all paid search sources combined.

The ultimate search strategies combine search engine optimization and paid search to give marketers and their sales teams the best of both worlds.

THE LONG ROAD FROM B2B LEAD GENERATION TO SALES CONVERSION

SUMMARY: Marketers face lengthy time spans as they progress from lead generation to conversion, making it difficult to nurture prospects while moving them through the pipeline. This chart highlights the percentages of leads in each stage of the pipeline that are likely to advance to the next stage.

Average Conversion Rates in the Marketing-to-Sales Process



One of the most challenging obstacles to marketing is the time span from lead generation to sales conversion. These long sales cycles put pressure on marketers to streamline the lead nurturing process.

When prospects first enter the pipeline, they may be months away from defining specifications, a budget or purchase timeline.

It is marketing's responsibility to identify and fulfill the information needs of prospects at each stage and to advance prospects through the pipeline to a sales-ready stage as rapidly as possible.

We wanted to know what percentages of leads in each stage of the pipeline are likely to advance to the next stage. As this chart shows, on average, nearly four in 10 leads move from initial inquiry to being sales-ready, and approximately the same ratio advance from sales-ready to qualified prospect. As might be expected, the trend deteriorates moving to the next stage where only three in 10 qualified prospects convert to a sale.

The internal sales force has an edge – albeit slim – over top channel partners in percent of distributed leads closed. An organization's own sales force is also three times as likely to close leads distributed to them as are their average channel partners.

INFORMATION SOURCES FOR LARGE PURCHASE DECISIONS CHANGING

SUMMARY: Driven by economic circumstances, the buying process for large and complex purchases is changing. Marketers who are aware of changing buyer behaviors, such as the use of information resources, will be better able to align their selling process with the buying process to improve effectiveness.

Changes in Information Resources Used During the First Half of 2009

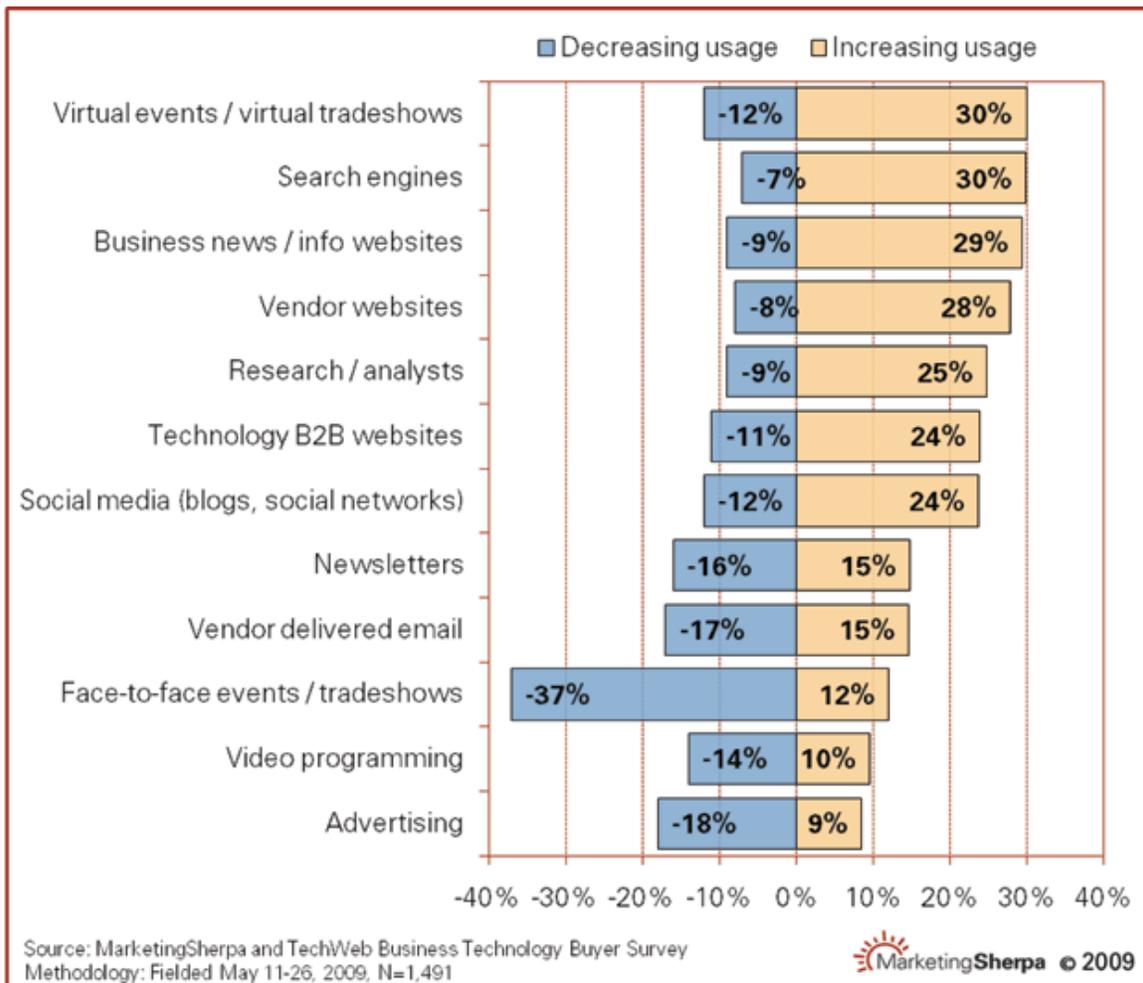


CHART NOTE: *The sources of information relied upon for making large and complex purchases-in excess of \$25,000 for the purpose of this study-are changing at a rapid pace. The most dramatic change reflected in this chart is the shift from face-to-face events and tradeshows to virtual events and virtual tradeshows.*

Attendance at face-to-face events and tradeshow has substantially declined primarily due to cutbacks in travel budgets. Instead, many buyers and influencers in the buying process turned to virtual events and tradeshow in the first half of 2009 for obtaining product, service and vendor information.

The use of search engines and, as a result, websites to obtain information needed for making sound purchase decisions also continued to increase in H1 2009.

Research and analyst opinions are not only an increasingly relied upon information resource, buyers also ranked them as the most trusted and influential sources used when making large and complex purchases. This is especially true in the business technology sector.

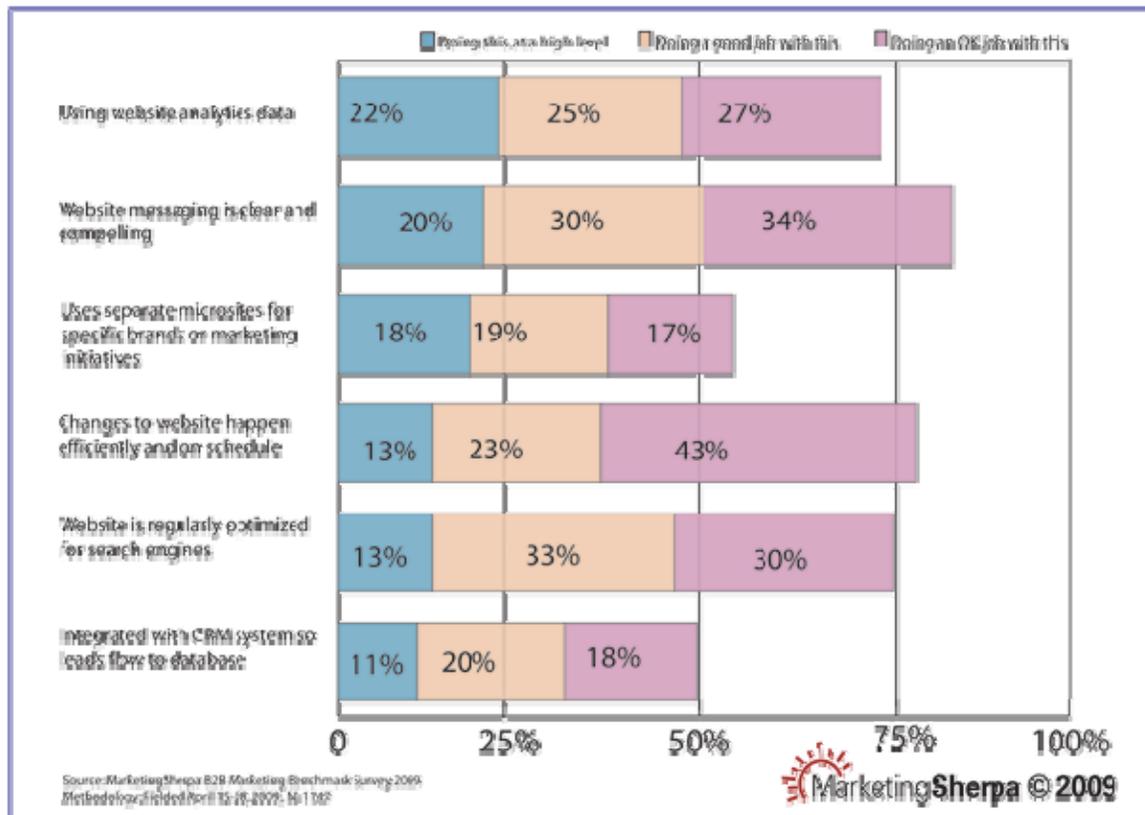
Social media sites such as blogs and social networks are emerging resources due in large part to the objectivity of their content. While third-party social sites are favored for their impartiality, vendor branded blogs and discussion groups on vendor branded social sites provide a mix of subjective company information with moderated commentary and peer discussions.

HOW WELL MANAGED IS THE HUB OF YOUR MARKETING STRATEGY?

SUMMARY: The foremost change in B2B marketing during the past decade or so has been the emergence of a company's website as the primary point of contact with prospects and customers.

The website has also become an extremely efficient platform for integrating and automating the lead generation process. As a result, the role of a company's website has been elevated from simply a spoke in the marketing mix wheel to the hub of the marketing strategy. The following chart represents a snapshot of how well B2B websites are being managed.

How Well Managed is the Hub of Your Marketing Strategy?



Rather than ask client-side marketers to self-evaluate their own performance, we asked their agencies and marketing consultants to provide a more objective assessment. This chart shows how they graded their clients' efforts.

Agencies gave their clients relatively high marks across the board for how well they manage their websites. While many website capabilities are being managed at a high

level, or clients were at least doing a good job of managing them, we found that system integration which enables the flow of leads generated on a website to the CRM system was a weak point. The lead management process has become critical to the success of marketing and sales programs, and it all begins with the timely transfer of leads from their source to the lead management automation.

For the most part, agencies and consultants also thought their clients failed to update websites efficiently and on schedule, or regularly optimize content for search engines at a high level. These tasks are critical to web marketing effectiveness and, if not well managed internally, can be easily and inexpensively outsourced.

SEARCH IS GENERATING THE BULK OF B2B LEADS – BUT HOW GOOD ARE THEY?

SUMMARY: The success of a marketing program is too often judged by the quantity, rather than the quality, of leads produced. But when it comes to converting leads to revenue, the sales force will tell you that more isn't necessarily better – better is better.

The Quality and Quantity of Leads Generated by Search Sources

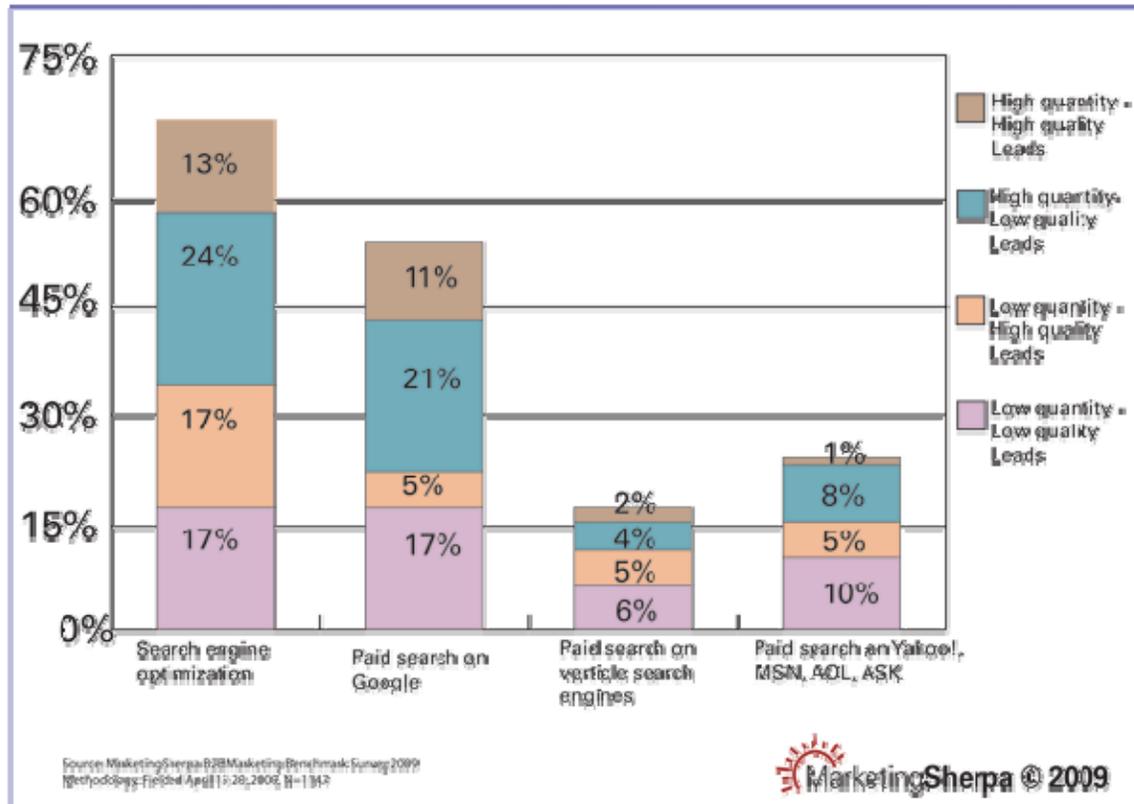


CHART NOTE: Marketers were asked to rate the quantity and quality of leads generated for each of the search tactic listed at the bottom of each column using the scale shown to the right of the chart. The total percentage of each column reflects those who are using that tactic. For example, 71% of respondents use 'Search engine optimization'. The remaining 29% do not use this tactic.

Every marketing organization needs to find the right balance between lead quantity and quality. Too many leads, even of a high quality, and an overwhelmed sales team will be forced to allow opportunities to fall through the cracks. Too few leads or leads of low quality will cause sales force productivity to plummet.

Search has become an ideal solution to balancing lead flow because, in many cases, the spigot can simply be opened or closed to control volume. The more complex challenge is

controlling lead quality. This requires a much more strategic approach to optimizing not only web pages for SEO but, in the case of paid search, carefully aligning the context of PPC keywords with ad listings and landing pages.

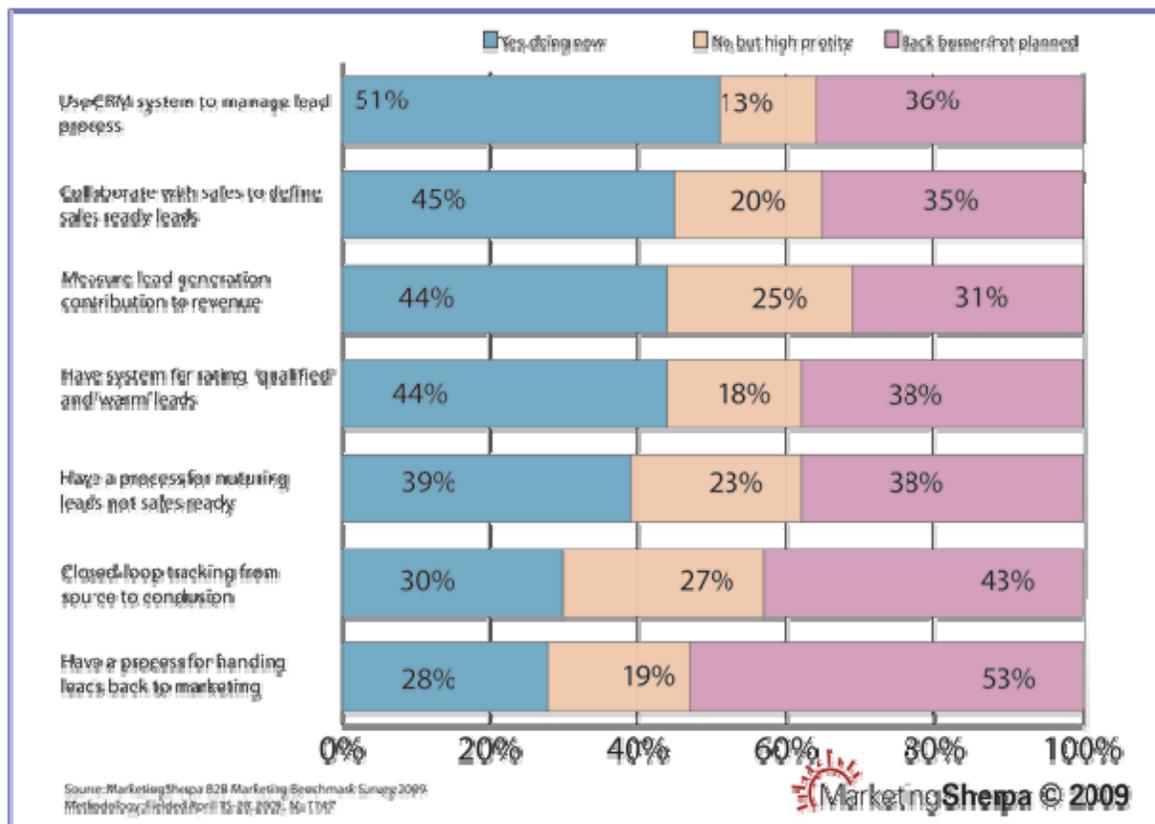
Marketers who are optimistic about the months ahead and said they will be focused on sales growth resulting from an economic rebound, understand that higher quality leads will convert to more revenue in less time, and are addressing the challenge of generating them now.

MANAGING THE B2B MARKETING-TO-SALES PROCESS

SUMMARY: Which best practices are marketers NOT using to effectively manage their marketing-to-sales process? The one that stands out here is the ability to hand leads back to marketing when they have proven not to be sales-worthy.

These are usually qualified prospects that simply aren't ready to purchase. And not having process to handle this is a missed opportunity by allowing these future sales to fall through this gaping crack in the pipeline.

How Organizations Manage the Pipeline from Lead to Sale



Closely aligning marketing and sales is essential to creating a productive new business pipeline. As this chart demonstrates, many marketing and sales organizations are collaborating at the shallow end of the pool " by mutually engaging in best practices like defining what a sales-ready lead is " but few are diving deeper to make the pipeline flow in both directions.

This two-way flow requires feedback from the sales organization about leads that are not ready for conversion. This feedback results in highly effective practices like the closed-loop tracking of leads from source to conversion. A pipeline flowing in both directions can also enable a process for sales to hand leads back to marketing for re-engagement and

continued nurturing; creating opportunities for the sales force to pursue again in the future when timing is optimal.

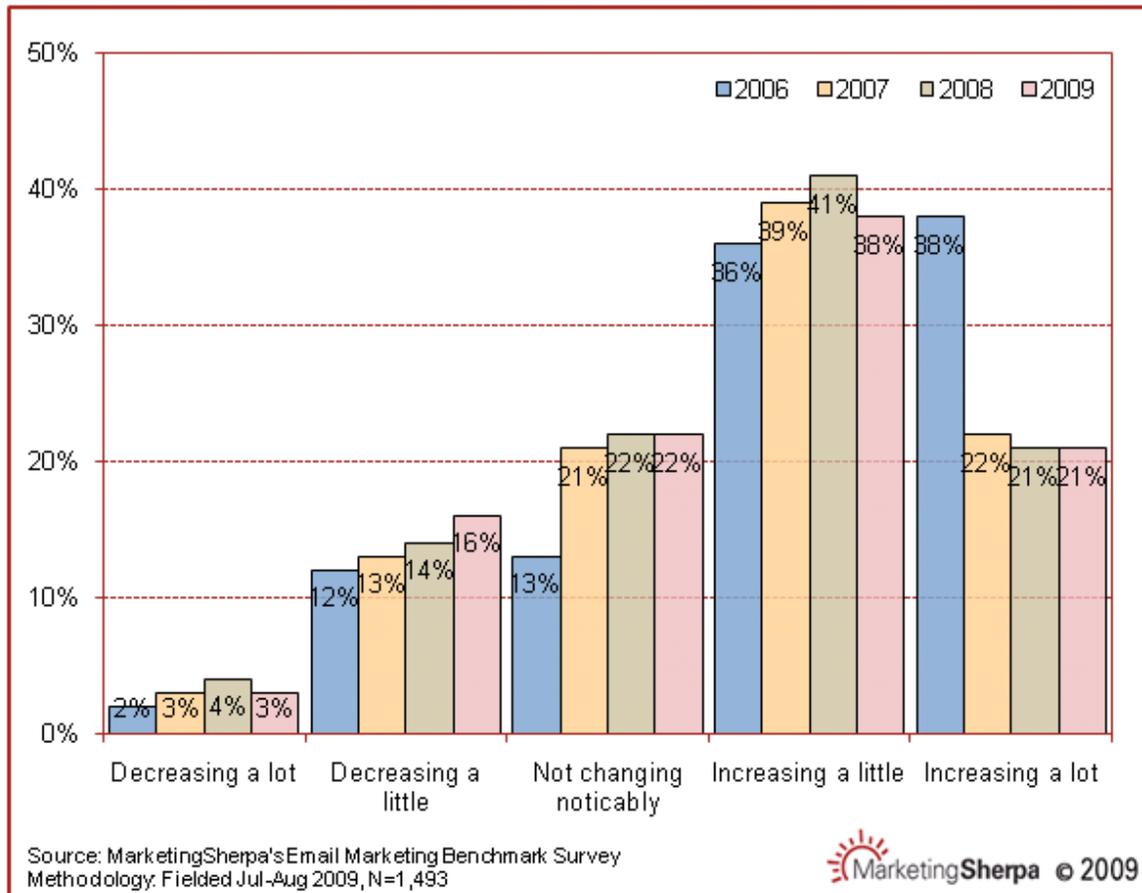
Lead scoring has also become a very important factor in the effectiveness of a marketing-to-sales process. 44% of organizations today have a system for rating leads, often in simple descriptive terms, such as "qualified" or "warm." But as rating systems evolve, the characteristics used to determine a lead's "score" rapidly increase. Many scoring systems have become overly complex, often discouraging both marketing and sales from using them diligently.

EMAIL CHARTS OF THE WEEK

HOW EFFECTIVE IS EMAIL MARKETING?

SUMMARY: We asked more than 1,400 marketers for their opinions on how the effectiveness of email for marketing purposes was changing. Their answers may surprise you. Check out this week's chart to see the results.

Email Marketing Effectiveness is Still Strong



In general, the effectiveness of email for marketing purposes is doing well. More than 3 times the percentage of marketers who said the effectiveness of the medium is decreasing said it is increasing. Despite the challenges that marketers have with email, their opinion of the medium is still quite strong. This attitude is one reason for the continuing shift in marketing budgets from other tactics to email.

Marketers at larger organizations – those with more access to, and opinions based on, quantifiable data – are more likely to think that email effectiveness is "increasing a little" than their counterparts at smaller organizations.

Good news for consumer marketers – email effectiveness is "increasing a lot" by a rate of nearly 2 to 1 over those in the B2B channel. An emphasis on list segmentation practices, content relevancy and user preferences may be the differentiating factors between the two channels.

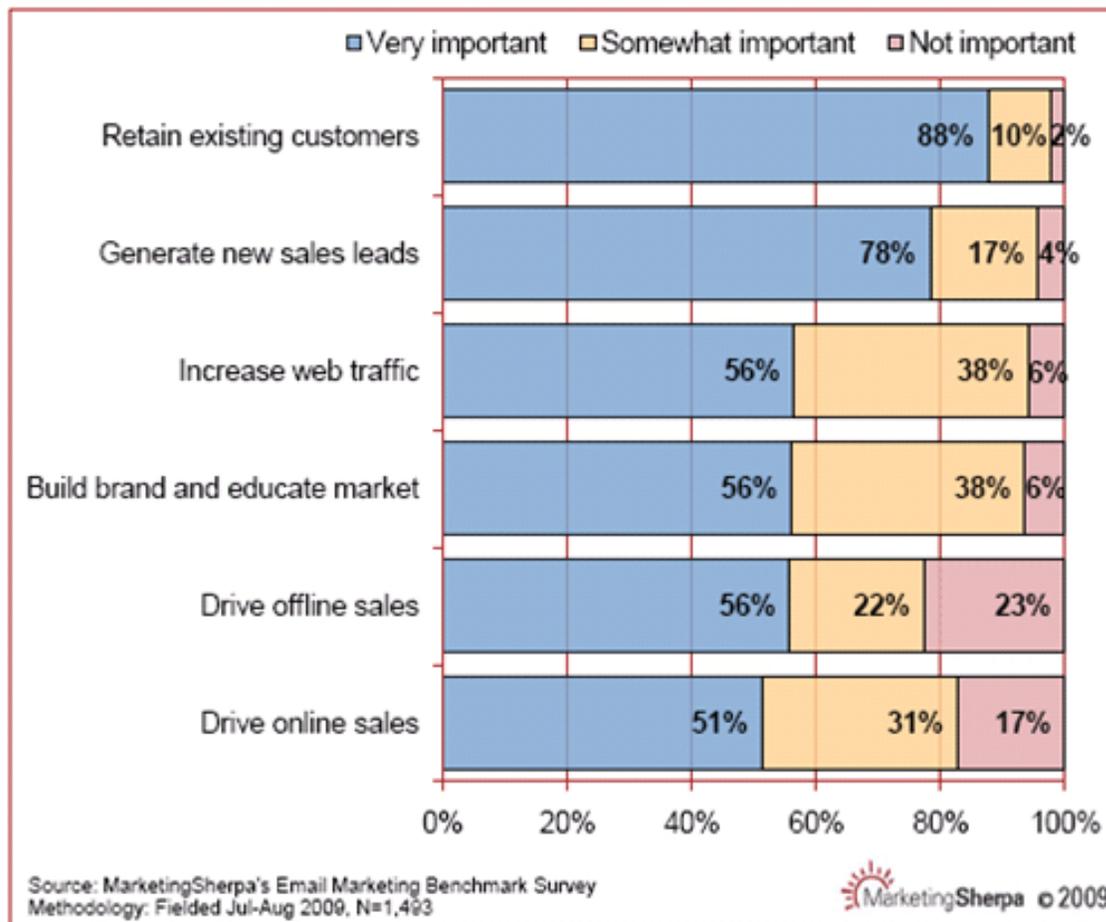
Agencies are not as optimistic as their clients about the effectiveness of client email marketing programs. Approximately 27% of agencies said their clients' email effectiveness is decreasing. This compares to 19% of marketers in general.

MARKETERS WEIGH IN ON IMPORTANCE OF EMAIL MARKETING OBJECTIVES

SUMMARY: What objectives do email marketers work hardest to achieve? In this week's chart, we'll show you what email marketing objectives were ranked as the most important by your peers.

From customer retention to lead generation to driving online or offline sales, see which objectives topped the list.

Email Marketing Objectives Ranked by Importance



It's no surprise that customer retention and lead generation are very important in today's economy and are the objectives that email marketers are working hardest to achieve.

A focus on retaining existing customers is a logical objective for cost-conscious organizations trying to offset the impact of a recession. After all, it's far less expensive to retain a customer you already have than to find and acquire a new one.

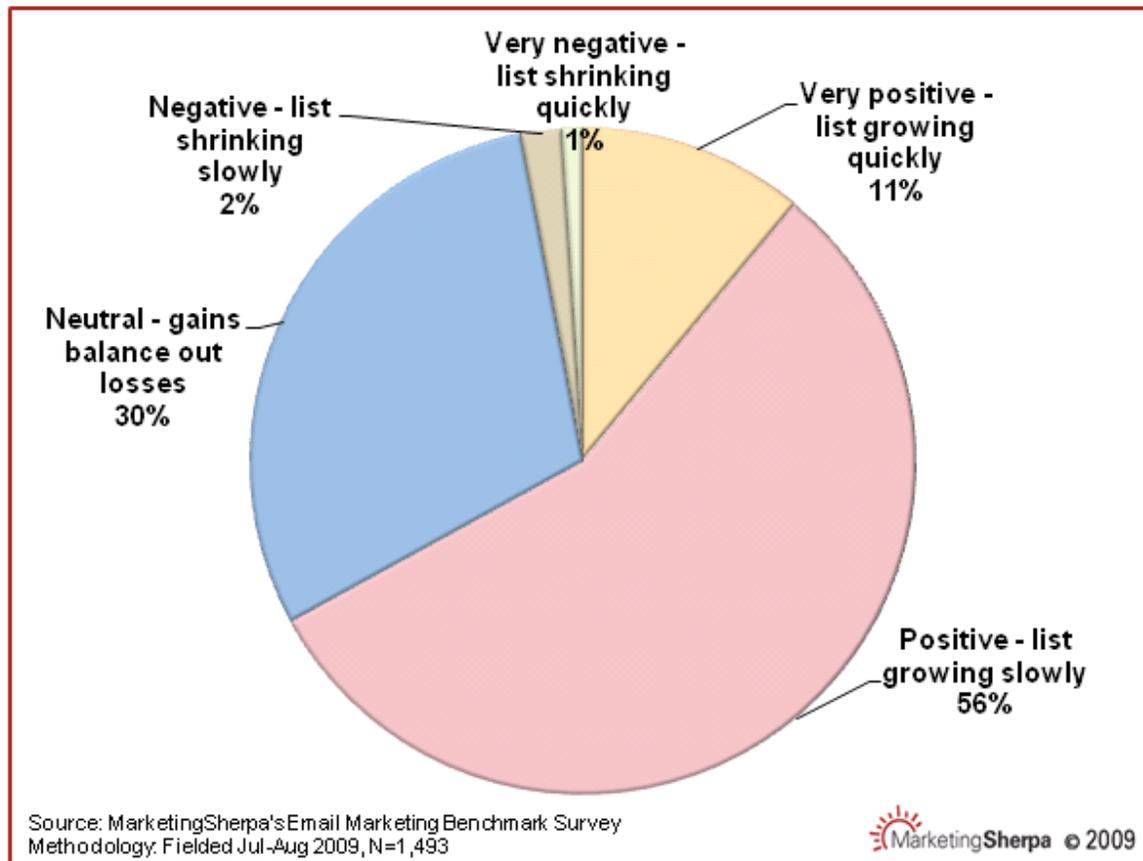
Generating new sales leads is an important objective for a higher percentage of medium-sized organizations than retaining existing customers is for large organizations. Mid-sized organizations are more agile than their larger, slower-moving competitors and may see the recession as an opportunity to gain market share.

Organizations that target consumers have a much different opinion about the importance of some email objectives than those who target businesses, especially when it comes to driving sales. Many B2C organizations derive revenue through ecommerce, which requires a focus on driving online sales. B2B organizations, on the other hand, are more likely to use email to drive offline sales. This is also why more B2B marketers rank generating new sales leads as more important than B2C marketers.

OPT-IN EMAIL LISTS STILL GROWING, SLOWLY BUT SURELY

SUMMARY: This past year was particularly challenging for email marketers attempting to grow their lists. Yet, the trend indicates that marketers tasked with this difficult situation have achieved surprisingly positive results.

The general trend of people opting-in to email lists



Opt-in lists continue to grow for two-thirds of all email marketers, which includes 11% who describe their list as "growing quickly." This is great news considering the complaints email users have expressed about the volume of email they receive. Even more surprising is that a mere 3% of organizations report negative growth or subscriber attrition.

Email received for business purposes is less likely to cause recipients to opt out, making B2B list size more stable. While the majority of B2B and B2C lists are growing slowly, lists intended for consumer marketing are more than six times as likely to experience accelerated growth.

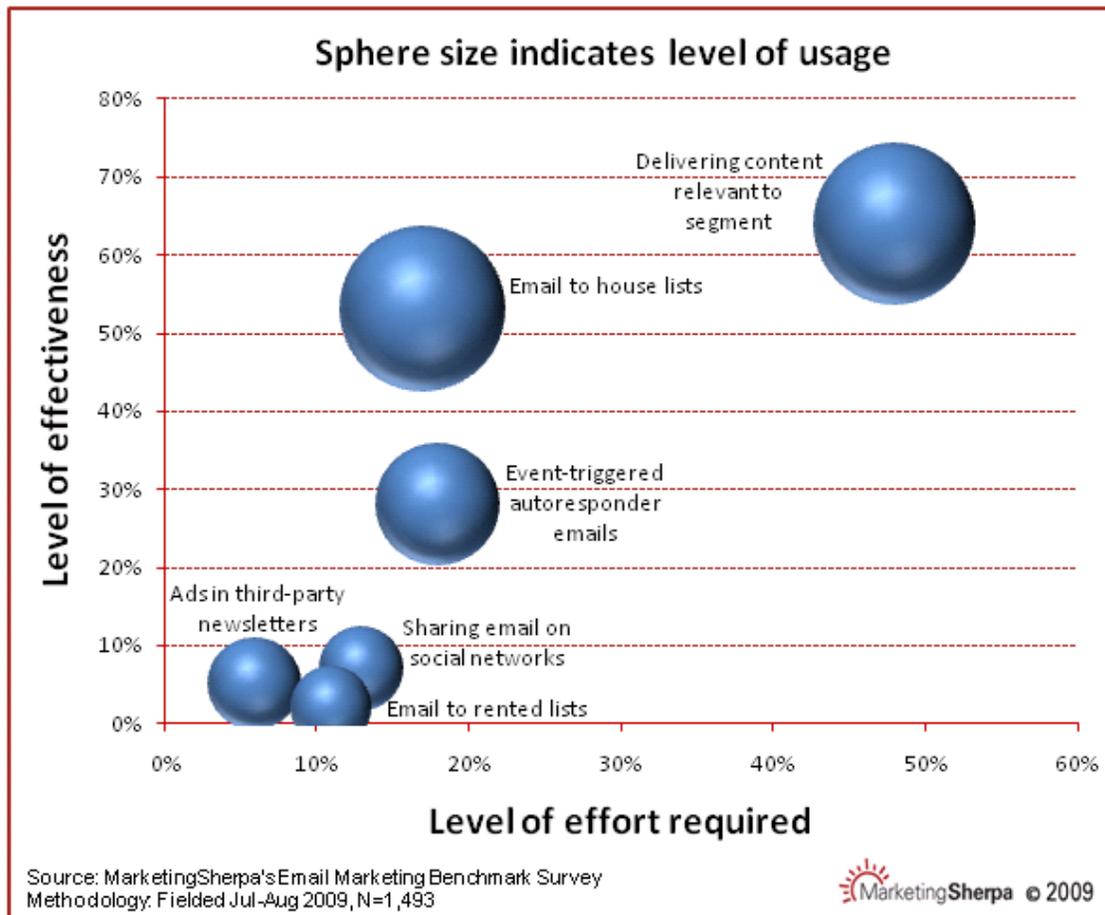
This past year was particularly challenging for business-to-business email marketers, as seismic movements in the economy resulted in job shifts and losses at almost every company. This meant a sharp increase in lost email addresses, and explains the marked difference in trends for B2B. While nearly 20% of B2C mailers report that their list growth is "Very positive," the number for B2B mailers is only 3%, with the missing 17% found in the "Neutral" category.

Digging deeper, we find that email lists that changed in size during the first half of 2009 grew by an average of nearly 20%. The lists that decreased in size during that period did so by half that rate. In short – the smaller the organization, the bigger the average rate of increase in list size. Email lists managed by large organizations that decreased in size did so at nearly twice the rate of smaller businesses.

DO EMAIL TACTICS THAT TAKE MORE WORK GET A BIGGER PAYOFF?

SUMMARY: In today's economy, it is common for marketing departments to be understaffed and overburdened. This problem makes the amount of time and effort required to implement a tactic nearly as important a consideration as the effectiveness of the tactic.

Marketers Balance Effort and Effectiveness to Determine Usage of Email Tactics



This chart shows the balancing act that marketers must perform to maintain maximum email effectiveness with minimal effort.

"Email to house lists" and "delivering content relevant to a segment" are roughly equal in usage. However, the latter increases campaign complexity and requires a greater level of effort, but it is also much more effective.

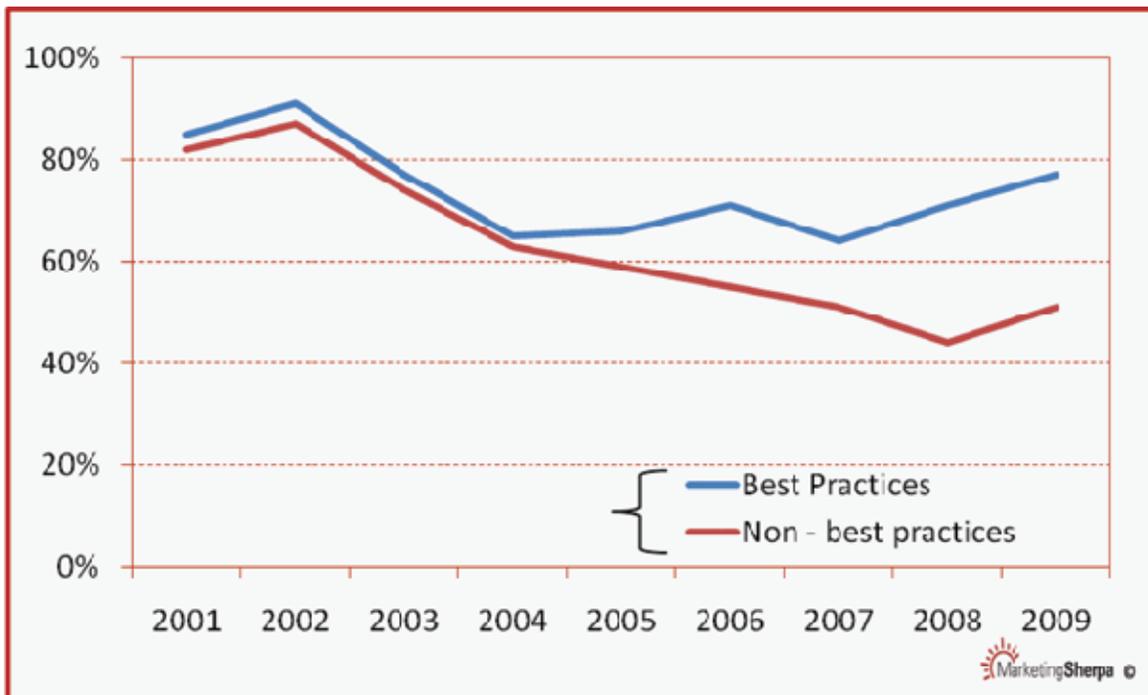
As the name implies, "event triggered autoresponder emails" are automated and require some setup time but much less ongoing effort to implement than the tactic of delivering relevant content. It is also about half as effective.

Effectiveness comes with a price. The high cost of too much staff time and effort that some tactics require can more than offset the value of using them. When an ineffective tactic is also high maintenance, the decision to reduce or eliminate it from the program altogether becomes much easier.

TREND ANALYSIS: EMAIL PERFORMANCE SINCE 2001

SUMMARY: We've been studying email trends for a long time, and this chart goes back to the beginning, tracing the relationship between email practice and email success. In one form or another, we've asked the basic question about how well email was performing since our first survey in 2001. This chart highlights some trends and key takeaways.

Email Works Best When You Do Too



The Takeaways:

In 2001, it was still easy to get opt-ins. "Relevance" wasn't our ad nauseum catchword yet, and simply throwing up an email capture field would yield names. We saw a peak in the bursting bubble year of 2002. Then (as now) marketers were looking for low cost ways of reaching their target markets, retaining customers and hitting their quarterly goals.

Over time, we see that efficacy fell off the high. Email matured, inboxes filled up and other media worked their way into business and personal life. Given the competition for attention, email has held up remarkably well, especially given its yearly obituary at the hands of the latest, greatest tactic.

In 2004 we see our two groups begin to really diverge. At this point it's no longer a walk in the park to get new subscribers; marketers are finding that they have to provide value, think about relevance and pay attention to their email programs to see continued increase in its impact.

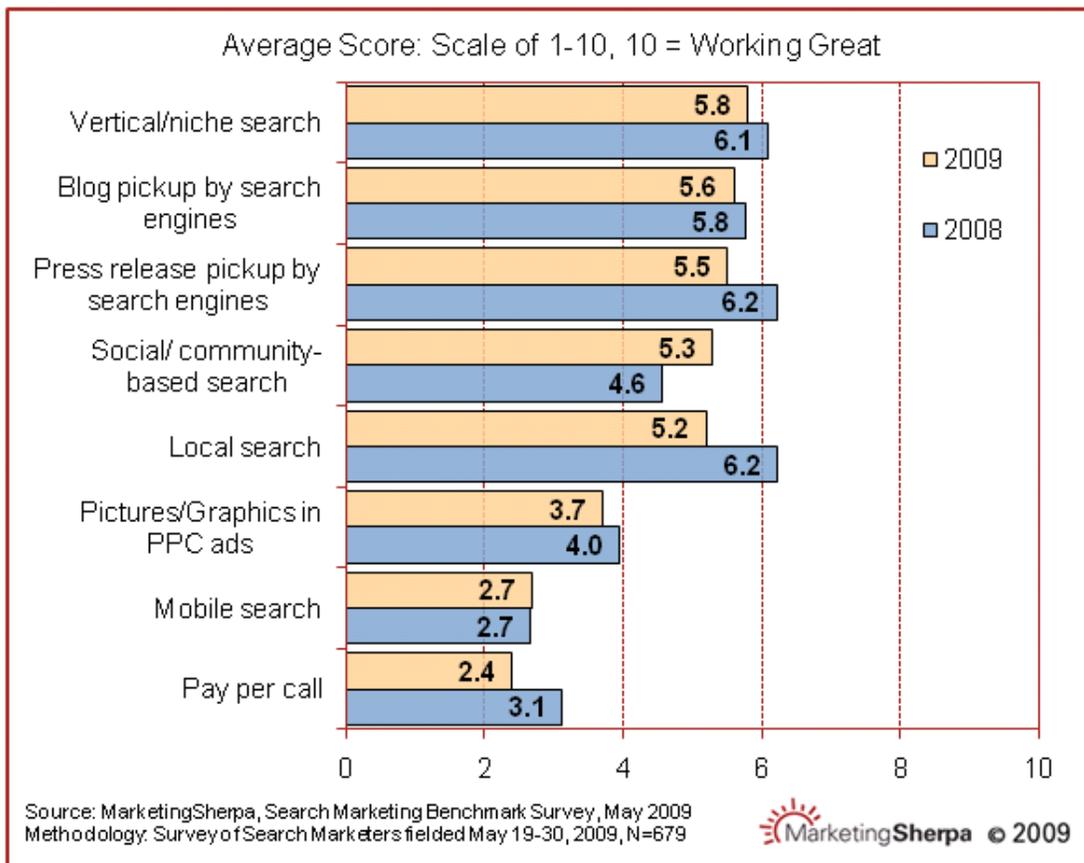
Every year the gap grows, as those who fit our 'best practices' model (a definition which evolved over the years based on tracked metrics) report stable or improving impact for email, while those still batching and blasting see diminishing returns.

SEARCH CHARTS OF THE WEEK

WHAT SEARCH CAPABILITIES ARE HAVING A POSITIVE EFFECT?

SUMMARY: We asked search engine marketers to what degree various search capabilities positively affected their PPC or SEO efforts, including local and mobile search. This chart shows you how your peers weighed in on search capabilities.

What's Working Overall in Search?



Nearly every category ceded some ground this year compared to opinions from the previous year. One notable exception to this trend is social/community-based search. Social media has become an invaluable venue for SEO specialists, PPC ad buyers, PR gurus and viral marketers alike. Other SEO tactics, such as using blogs and press releases to drive organic rankings, continue to score highly. Local and vertical search do well, yet still score lower than they did a year ago.

Notice how not one category received an average score of higher than 6.2 in 2008 or 2009. This is because in most cases, one category in itself is not going to have a significant effect on search performance. It is the integration of these categories that will have a combined impact, as the whole is greater than the sum of its parts.

KEYWORD RESEARCH TACTICS RANKED BY EFFICIENCY

SUMMARY: Keyword research should be the foundation of any search engine marketing campaign, but what is the best way to go about researching and defining your target key terms?

This chart will show you the most highly rated keyword research tactics, so you can start researching with greater efficiency.

Tactics for Keyword Research



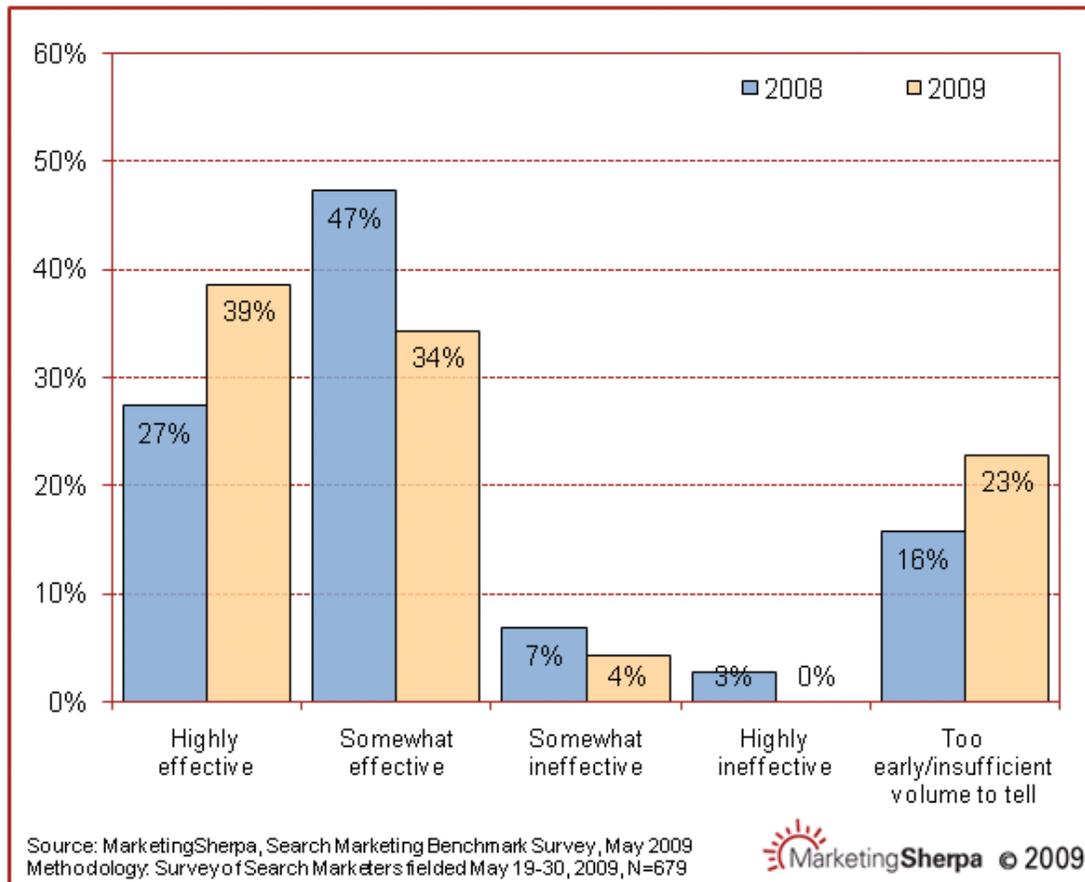
Finding the most effective words to use in advertising is a combination of art and science, and has been a chief concern of marketers for as long as the profession has existed. Whether writing keyword-rich press release copy that is likely to appear in relevant organic search results, choosing long lists of keywords for PPC campaigns or simply tweaking the copy of text ads, it's imperative that marketers know and use the same language used by their consumer target, and emphasize words that lead to the highest conversion levels.

According to surveyed marketers, site log files are rich sources of data for copywriters and keyword list makers. Interestingly, marketers with bigger monthly PPC budgets are more likely to rate nearly all tactics as "highly effective" than their counterparts with smaller budgets. We can infer that expertise may play a role in how successfully search marketers employ the tools at their disposal.

HOW EFFECTIVE IS LOCAL SEARCH?

SUMMARY: We wanted to better understand how local search was perceived in terms of effectiveness by search engine marketers. Check out this week's chart to see your peers' opinions on local search.

Effectiveness of Local Search 2008 vs. 2009



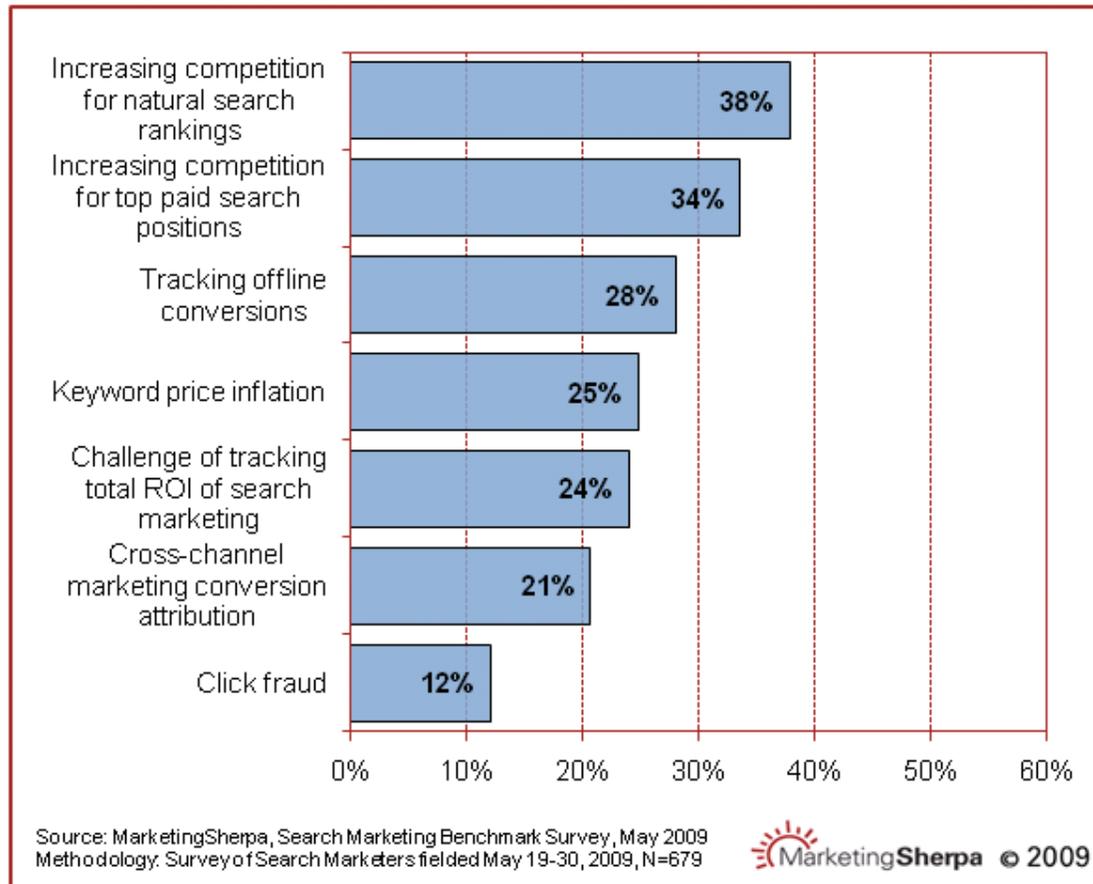
Year over year, we see that more marketers believe they have enough experience to have an opinion on the effectiveness of local search – and the opinion is quite favorable. As a searcher's location becomes a standard bit of metadata to be factored into the PPC bid process, geotargeting is likely to become the norm.

On the other end of the geotargeting search equation, we see that landing pages are somewhat neglected. Survey results showed that few marketers were taking advantage of geolocation-specific messaging once the searcher clicked through. For retailers, in particular, this is a huge missed opportunity.

SEARCH ENGINE MARKETERS RANK SEM CHALLENGES

SUMMARY: What are the greatest challenges search engine marketers face in search engine optimization and pay per click advertising? From increased competition to tracking ROI, see which challenges made the top of the list.

In-House Marketers Rank SEM Challenges



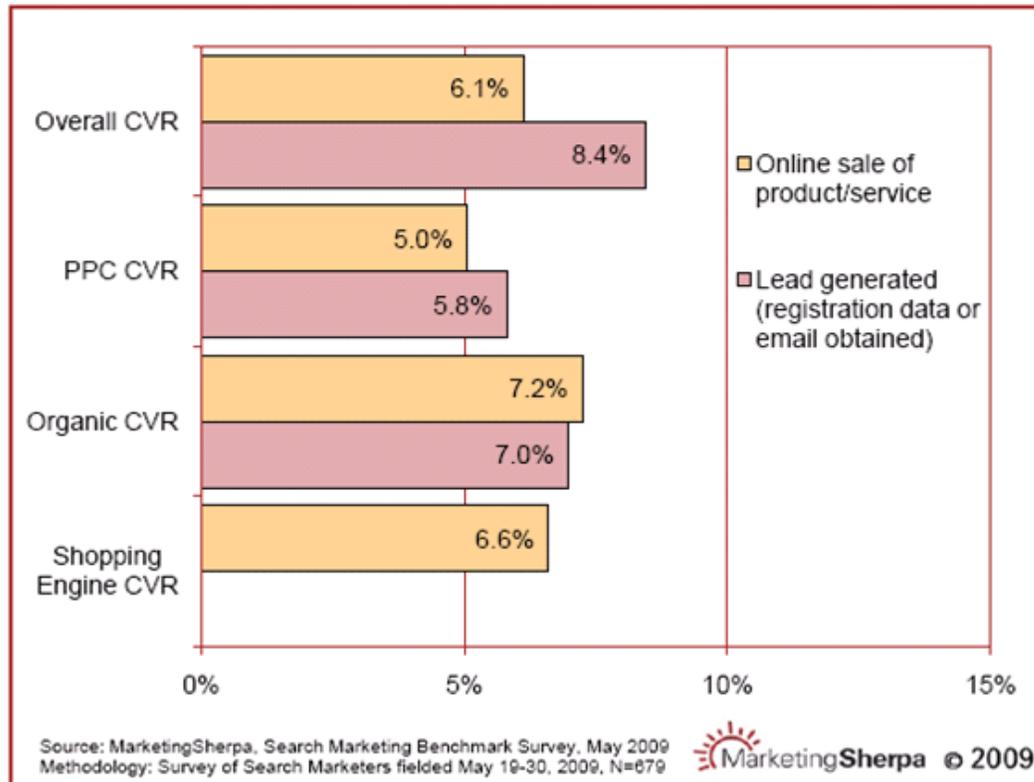
In this week's chart, we take the temperature of in-house marketers' frustrations with these diverse tactical topics. While many are essentially the same year-over-year, we do see a noticeable increase in competition for natural search rankings, which pushes the usual cause for complaint – competition for top paid search positions – into second place.

When we singled out agency pros, we noticed that click fraud had nearly dropped off the radar. Tracking offline conversions ranked first at 44%. This compared to only 28% among in-house search marketers, where it falls into third place, while concern over paid search narrowly edged out concern over organic search.

HOW DO YOUR SEARCH CONVERSION RATES COMPARE?

SUMMARY: Do you wonder how your search conversion rates measure up when compared to other search marketers? Check out this week's chart to see typical conversion rates for sponsored advertising (PPC), organic search (SEO) and online shopping engines, broken out by conversion type.

Conversion Rates by Conversion Event and Source



One of the most common mistakes made when dealing with conversion rates is confusing the use of different types of conversion rates. In analytics, a conversion event is what is known as a user-defined event. In other words, it can be anything you want it to be.

The most important part of defining a conversion event is to make sure it matches the strategic goals most important to your organization and is realistic enough that you can receive actionable data. The harder a conversion metric is to collect, the less data you will have to make marketing decisions.

Ideally, an organization will collect multiple conversion metrics in order to gauge effectiveness of marketing throughout the purchase funnel, not just at the end.

When we isolate conversion rates by conversion event and source, we see a few trends echoed from other sources. First, organic conversion rates are higher than paid conversion rates. This makes sense when one considers that organic searchers are often already familiar with the brand, have searched for specific products and are more likely to be closer to purchase rather than still considering many brands.

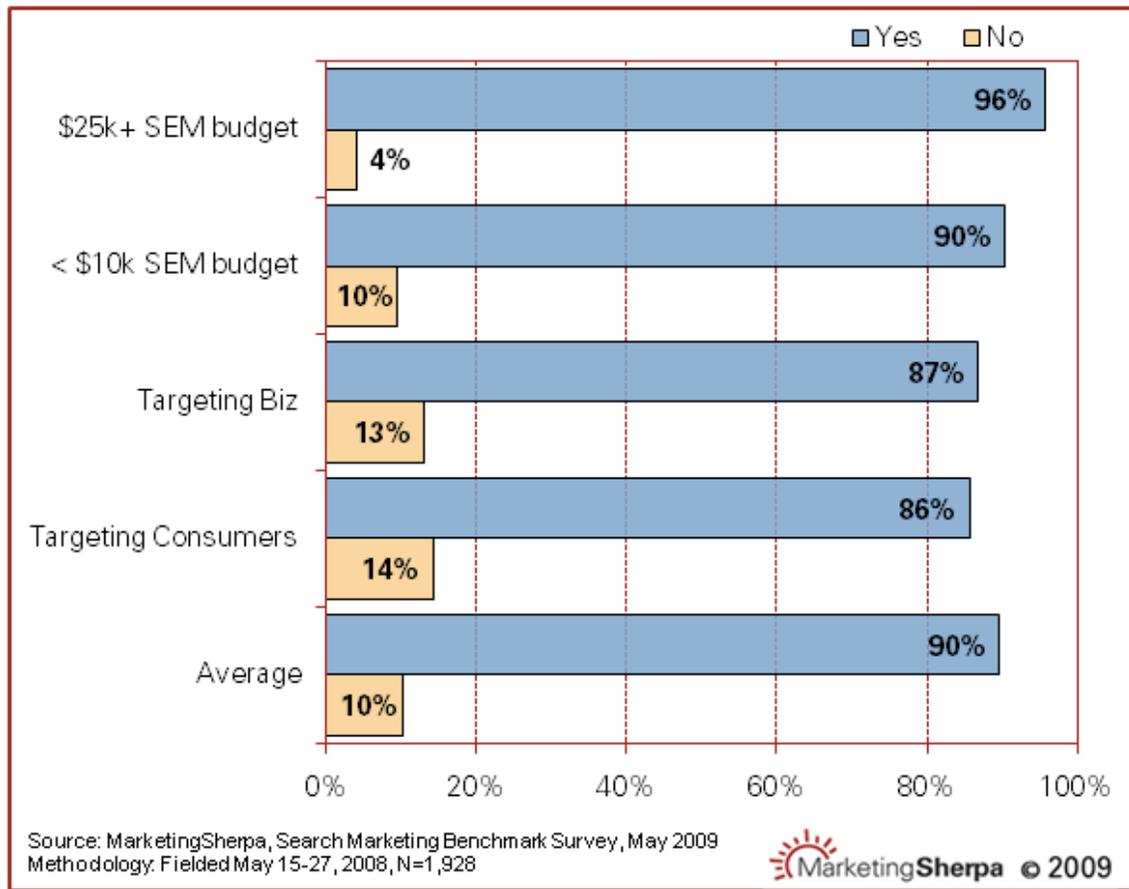
Second, the higher up the marketing funnel a conversion event is, the higher the conversion rate will be. A sale is nearly always going to be more difficult to achieve than collecting an email address. For this reason, it's important to compare "apples to apples" when judging conversions.

MEASUREMENT MANDATORY FOR SEARCH MARKETERS

SUMMARY: Just as the web democratized media access to a mass audience for any advertiser-free or cheap methods for measuring search media have also now become available to anyone.

Search marketing has always been a numbers-intensive endeavor, so it's no surprise that search marketers have quickly adopted analytics into everyday use.

Search Marketers Overwhelmingly Use Web Analytics



As we see in this chart, just about every size and kind of marketer uses analytics for search. There is simply no good excuse not to. Google Analytics is free (up to a point), and using it to incorporate conversion into optimization can save massive amounts of money.

As of May 2009, 85% of the search analytics users we surveyed use Google Analytics, and that's a 29% increase over the year prior. Google Analytics was designed to give the long-tail of medium and small web publishers a free way to get better at PPC marketing.

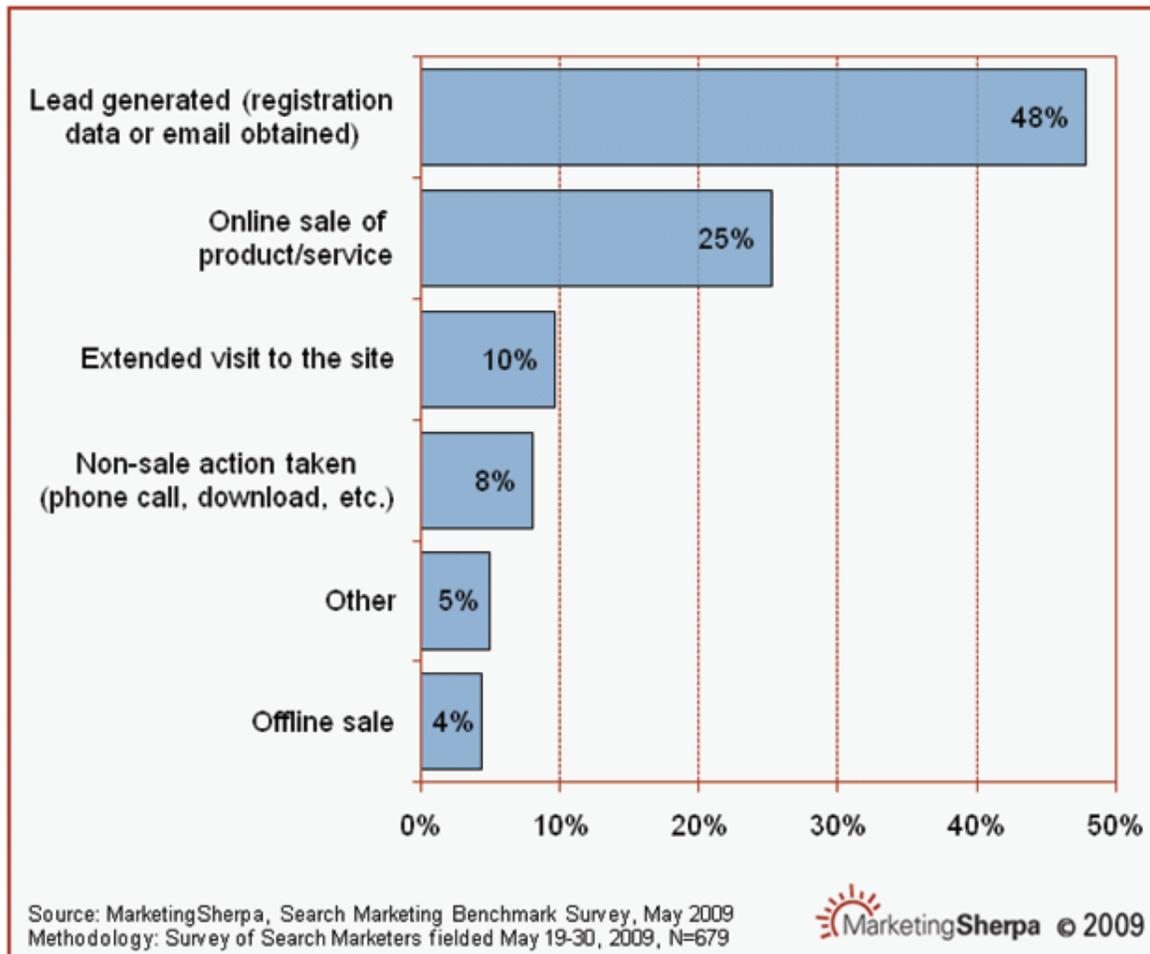
This is, of course, very much to Google's benefit since it is the largest seller of PPC advertising on the planet.

That bit of self-interest aside, considering that it is free, Google has produced an amazingly full-featured analytics program. Larger sites that need a little more analytical firepower seem to be turning to Omniture, but many of them also have tags in place for multiple analytics programs.

CONVERSIONS ARE A “USER-DEFINED EVENT” FOR SEARCH MARKETERS

SUMMARY: The most important consideration when defining a conversion event is that it matches your organization’s most important strategic goals and is realistic enough to produce actionable data.

Primary Conversion Events Used in Search Marketing



One of the most common mistakes made when dealing with conversion rates is confusing the use of different types. In analytics, a conversion event is referred to as a "user-defined event." In other words, it can be anything you want it to be.

PPC search marketing is able to maintain the accountability and a results-driven approach that makes it so effective by embracing conversion metrics other than the immediate sale of a product. By tying bidding to performance and performance to actionable mid-funnel metrics, search marketers have neatly side-stepped the argument all together.

On the other hand, some tactics like online banner advertising are still going through a strategic identity crisis (is it branding or is it direct response?), which continues to hinder accountability.

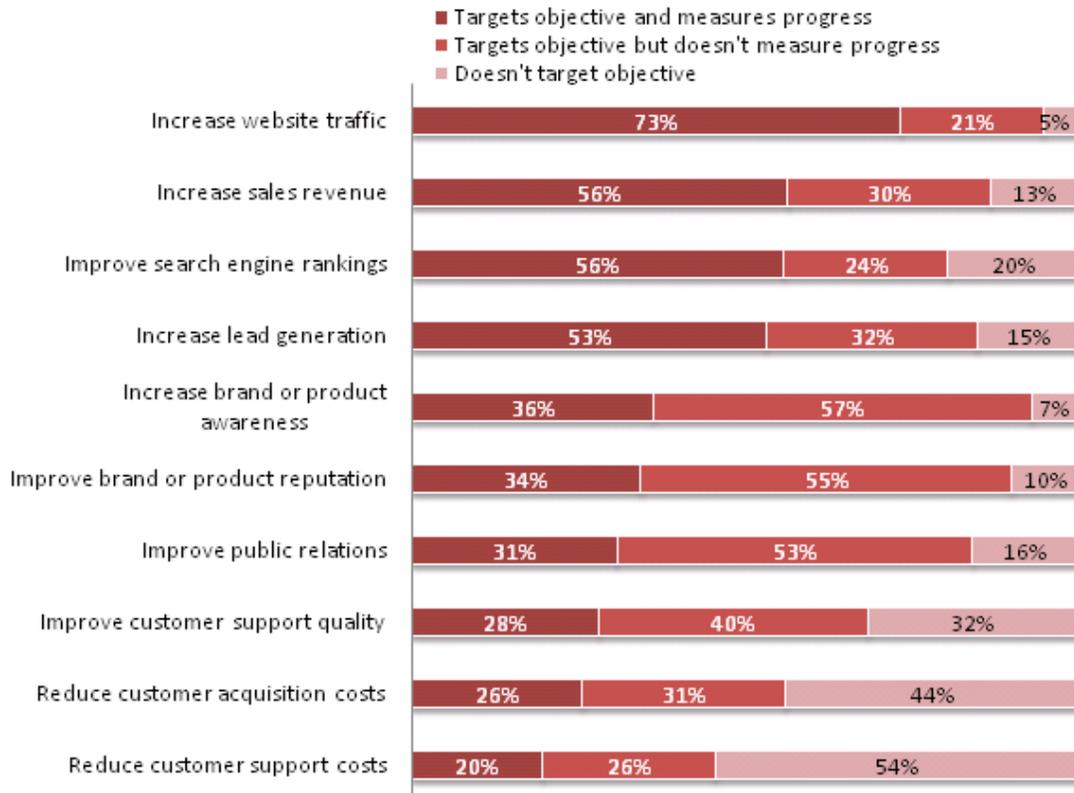
The harder a conversion metric is to define and collect, the less data you will be left with to make a marketing decision. Ideally, an organization will collect multiple conversion metrics in order to gauge the effectiveness of search marketing throughout the purchase funnel, not just at the end.

SOCIAL MEDIA CHARTS OF THE WEEK

WHAT SOCIAL MEDIA MARKETING OBJECTIVES ARE ORGANIZATIONS TARGETING AND MEASURING?

SUMMARY: Organizations have various objectives in utilizing social media, from increasing website traffic to reducing customer support costs. What social media marketing objectives are you targeting and measuring? See how your answers compare to our survey results.

The Targeting and Measurement of Social Media Marketing Objectives



Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

The "O" in MarketingSherpa's Social Marketing ROAD Map stands for Objectives, or defining objectives aligned with target audiences and social metrics. This is the second important step in mapping an effective social marketing strategy.

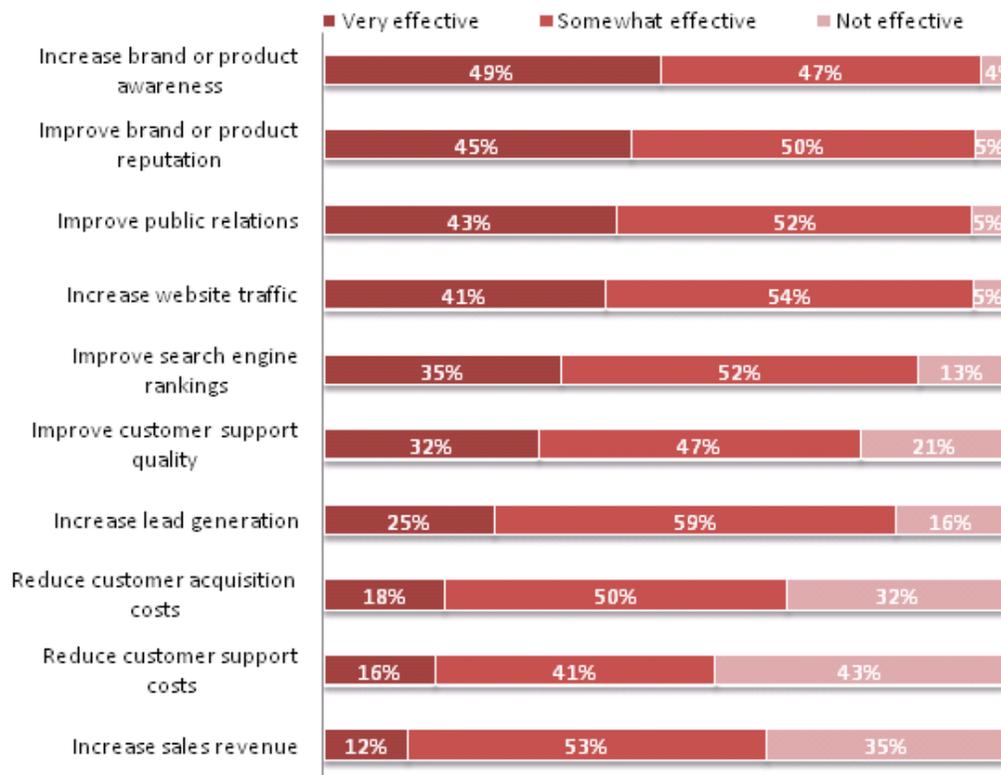
The company or brand Web site has become the hub of marketing strategy for many organizations. As a result, nearly three-quarters of marketers target "increasing Web site traffic" as a social marketing objective and measure their progress in achieving it.

The missed opportunity here is related to targeting cost reductions as an objective. Social media tools can enable prospects and customers to more conveniently "serve themselves," substantially decreasing the cost of customer acquisition and support.

HOW EFFECTIVE IS SOCIAL MEDIA IN ACHIEVING TARGET BUSINESS OBJECTIVES?

SUMMARY: We wanted to find out the effectiveness of social media in terms of achieving various target business objectives, such as increasing brand or product awareness and increasing sales revenue. See the responses we received from more than 2,000 marketers in this week's chart.

Rating the Effectiveness of Social Media in Terms of Objectives Achieved



Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

Last week, we established which objectives social marketers are targeting and measuring. This week's chart will help you determine which objectives are most effectively achieved with social marketing. Combining the information from these charts will help you define the appropriate objectives for your social media strategy.

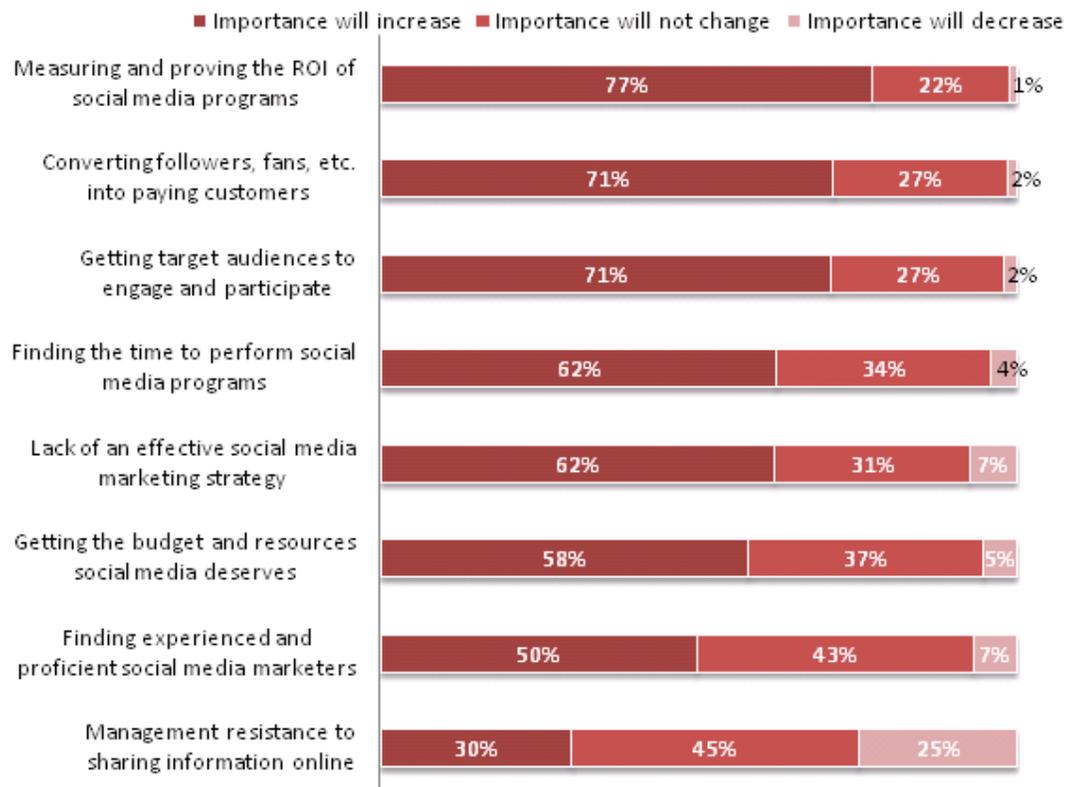
While organizations in all phases of social marketing maturity rank objectives in the same order, substantially more marketers in the strategic phase find social media very effective in achieving each of these objectives.

Interestingly, organizations that market to consumers through reseller channels (B2B2C) are much more likely to consider social media a very effective means to achieving their marketing objectives. Social media has opened a wealth of opportunities for marketers to reach business partners and consumers at every point in the distribution process.

SOCIAL MARKETERS PREPARING FOR THE CHALLENGES AHEAD

SUMMARY: We asked more than 2,300 social media marketers how they thought important challenges to social marketing effectiveness would change in 2010. Here's what we found.

Challenges Becoming Increasingly Important in the Year Ahead



 MarketingSherpa ©2010

Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

The learning curve has been steep during the past year and marketers have overcome many previous challenges to the effectiveness of social media marketing.

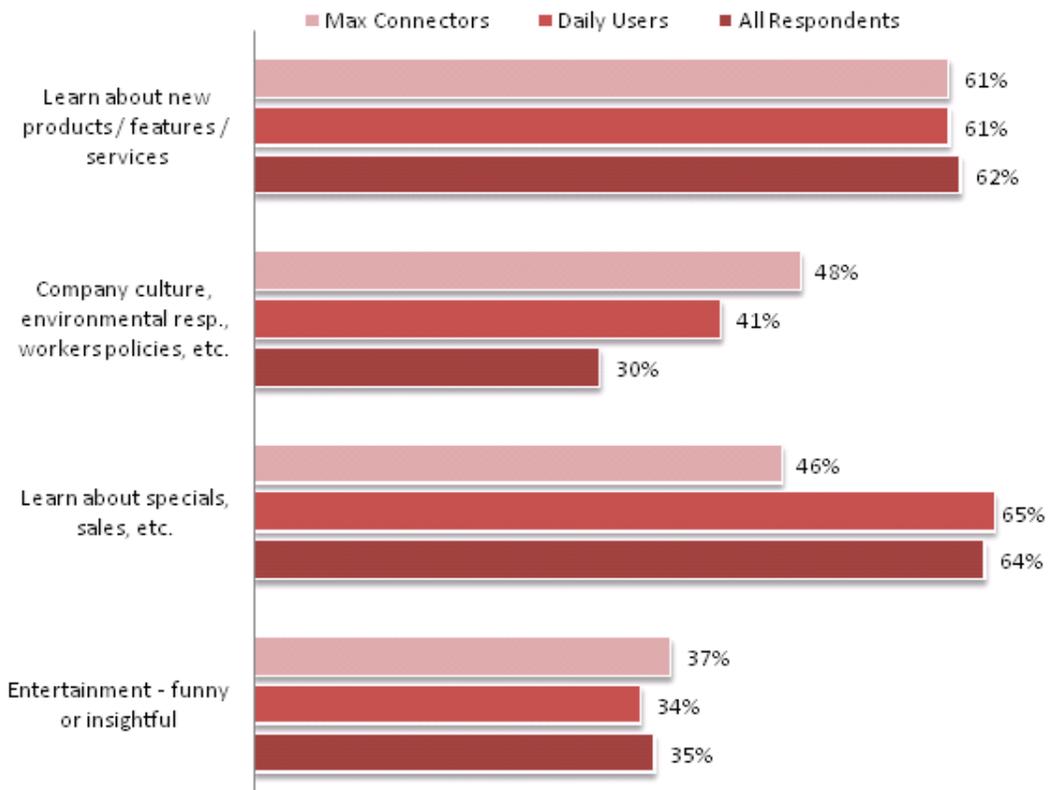
Going forward, the increasingly important challenges are those related to key performance indicators like ROI and conversions. Two years ago, a popular marketing myth was that ROI for social media programs could not be easily measured. Marketers have dispelled this myth by proving that not only can the ROI of social media programs be measured, but the return on social marketing invest is exceptionally high.

Marketers are learning that social media does not perform effectively as a standalone tactic. As social programs are strategically integrated into the marketing mix, fans and followers who are learning about brands in the social-sphere are following the trail of breadcrumbs back to Web sites and conversion pages where they become leads and ultimately customers. This conversion from social media user to customer is becoming increasingly important as marketers become more proficient at it.

WHAT'S MOTIVATING THE SOCIAL RELATIONSHIP BETWEEN CONSUMERS AND COMPANIES?

SUMMARY: Working with Survey Sampling to access a nationally representative sample of consumers, this year's Popular Media Study explores social media usage, and how it may affect the relationship people have with commercial interests.

Why Consumers Friend or Follow Companies



Source / Methodology: MarketingSherpa and Survey Sampling, Popular Media Study / Fielded Dec 2009, N=1,314

In reporting on this consumer study of social media use by consumers, we make reference to a group we're calling "Max Connectors" – those people with more than 500 social connections. They exemplify the new social consumer, and they're especially valuable targets for marketing, at least in theory, because they can spread a positive brand or product experience so widely.

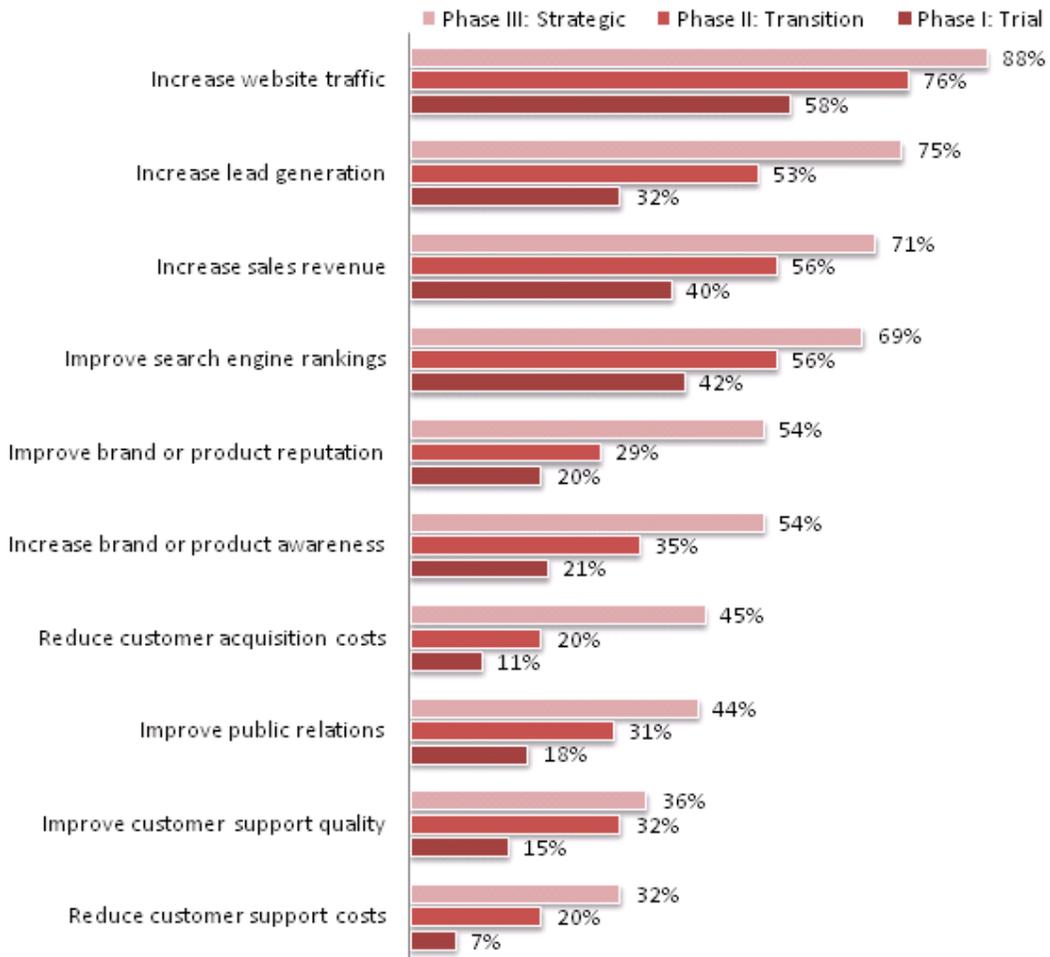
The motivations for consumers to track brands and companies through social media are generally predictable. However, there are exceptional aspects. Unlike our motivations for email or catalogs, getting a first or early look at features and products is at least as strong a motivation as beneficial pricing (that's especially true of Max Connectors).

Another unique driver of social connectedness with companies is to "get to know" the company. Although other aspects of the Internet have already opened this arena up to scrutiny, social media accelerated the ability of individual consumers to monitor, communicate and comment on companies as citizens.

ALIGNING SOCIAL MARKETING OBJECTIVES WITH CORRESPONDING METRICS

SUMMARY: Aligning social marketing objectives with their corresponding metrics is important because it enables an organization to measure its progress in achieving the objectives and proving ROI.

Objectives that are Targeted *and* Measured, by Social Marketing Maturity



Source / Methodology: MarketingSherpa Social Media Marketing Benchmark Survey / Fielded Nov 2009, N=2,317

Defining specific objectives for a social marketing initiative is only half the battle. The other half is aligning those objectives with corresponding metrics. This alignment is important because it enables an organization to measure its progress in achieving the objectives and proving ROI. Seemingly obvious, this step is often overlooked.

This chart breaks out the percentage of organizations targeting *and* measuring social marketing objectives by their social marketing maturity status. Regardless of any specific objective, an organization in the strategic phase of social marketing maturity is much more likely to align their objectives with corresponding metrics than organizations in earlier phases.

Social marketing maturity has been defined by the practices of an organization during three logical phases of development.

- Phase I: Trial – no process is used and social platforms are implemented first.
- Phase II: Transition – an informal process is used and performed randomly.
- Phase III: Strategic – a formal process is used and performed routinely.

The goal is to demonstrate the disparity in the performance of social marketing programs by organizations in each stage of maturity.

MULTIMEDIA DRIVING SKEPTICS TO BECOME SOCIAL MEDIA RELEASE CONVERTS

SUMMARY: A primary advantage of a social media release (SMR) is the variety of multimedia content that can be used to engage an audience. A substantial portion of marketers who employ SMRs put this advantage to use with outstanding results.

Effectiveness of Multimedia Content in Social Media Releases

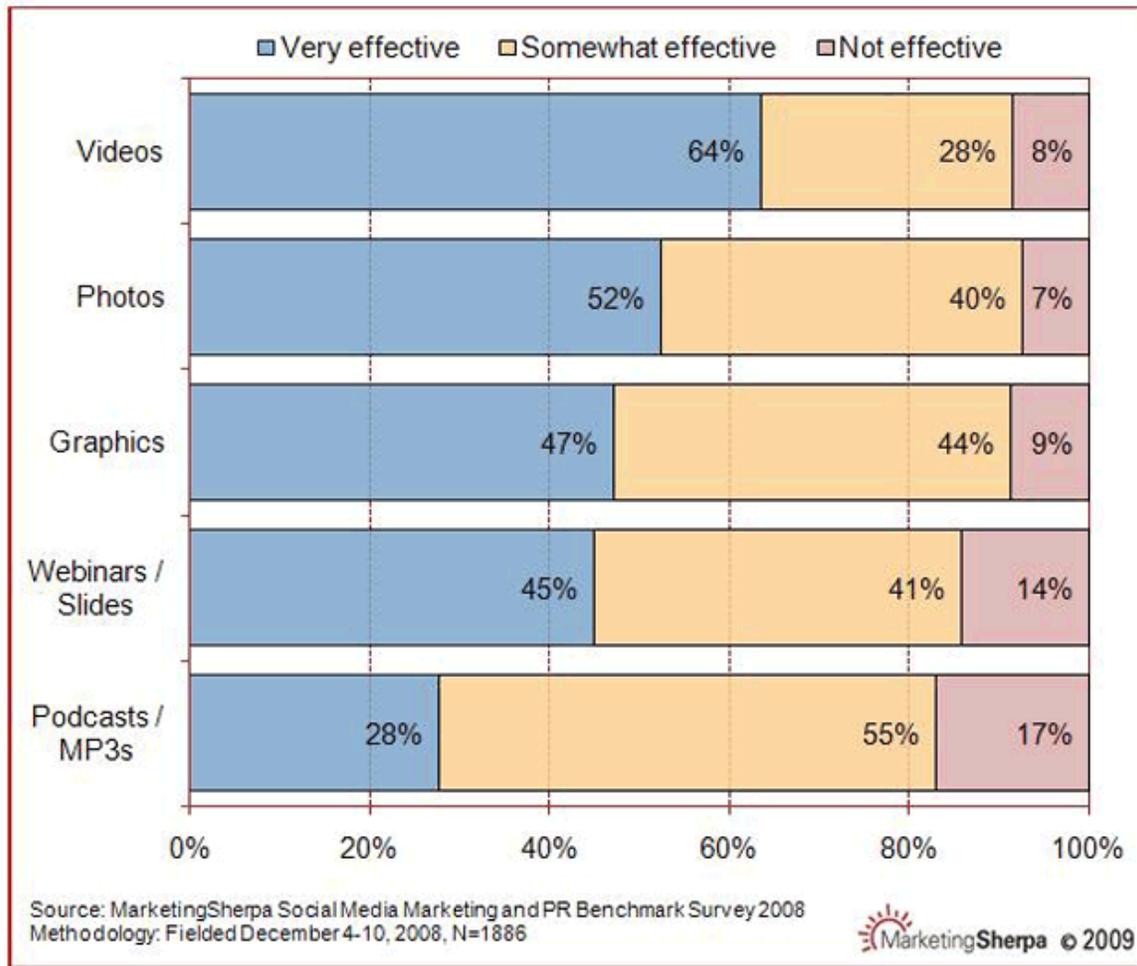


CHART NOTE: A social media release is a Web 2.0 version of the traditional press release. The template is formatted for multimedia content that is of particular interest to bloggers and online journalists, but it's not intended solely for them. It works just as well for engaging traditional media journalists and consumers, and as an effective tactic for search engine optimization. Social media releases aren't meant to replace traditional press releases. But they can make your effort to disseminate information much easier.

As this chart shows, marketers pick videos as the most effective multimedia content for achieving their social media goals. Video offers business and consumer marketers a way of getting across a visceral experience (driving a sports car) or to quickly explain a complicated or new idea (why one server is more powerful than the competition). Least effective are podcasts/MP3s, which happen to be the only multimedia without the benefit of a visual element. Seeing is believing, apparently, in the social media world.

SMRs are different from traditional press releases because of the multimedia content, embedded links and ability to rip content electronically for whatever purpose. Perhaps you are a reporter writing a blog post for your news organization and you need a headshot or executive video immediately. With the SMR, that media is readily accessible.

Blueprint To Drive ROI



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