Prospecting on All Platforms

More marketers are trying more ways to find new customers. That’s the top-line finding of the Chief Marketer 2012 Prospecting Survey, fielded in November and December 2012 to 833 responding marketing professionals in all verticals of B2B and B2C marketing.

The reason is increased reach. “Prospects don’t answer their phones very often,” said one B2B respondent. “So you have to hit them from 360 degrees.”

The profusion of new channels is a mixed blessing, however. “They make marketing harder, in that the speed and force of information make capture difficult,” said another respondent. “But the number and interactivity of new channels makes for more opportunities.”

2012 PROSPECTING AIMS BY BUSINESS TYPE

BIG PICTURE As in past years, respondents told us their attention is split fairly evenly between prospecting for new customers for their goods and services (44%) and caring for current ones, but with an eye to building brand awareness that can also draw new business (43%). Those results skew a bit differently when responses are broken out by business type. While consumer marketers preserve that even split between looking for new leads and focusing on past buyers (44% to 40%), B-to-B marketers showed a greater interest in reaching customers they have not transacted with before (51%) than in homing in on former clients (37%) and hoping for “spillover” benefits with new leads.

That differential extended to budget allocation for lead generation. B-to-B respondents said they targeted about 51% of their 2011 marketing budget toward finding new prospects, while B-to-C marketers put 45% of their budget into acquisition.
GROWING FOCUS ON SOCIAL, WEB

Prospecting channels used in 2011 looked mostly the same as in past surveys, with email the dominant lead-gen medium (83%), followed by direct mail (57%) and a three-way tie (55%) among web opt-ins, social network sign-ups and trade-show/conference leads. But asked where they’ll prospect in 2012, the response group kept email in the lead (87%) but moved social networks firmly into second place (69%). Web registrations came in third as a medium for 2012 (66%), while direct mail dropped to a fourth place choice at 61%. Comparatively speaking, online registrations gathered directly by the marketers are increasingly becoming the channels of choice for finding new customers.

B2B marketers in particular said they will step up their lead generation in social networks this year: 48% used it in 2011, but 68% said they will prospect in the social media channel in 2012.

WEB SIGN-UPS AND SOCIAL LEAD-GEN SHOULD SEE THE STRONGEST GROWTH RATES IN 2012, ACCORDING TO MARKETERS.

INFORMATION, OFFERS RULE

Almost two-fifths of respondents said they used informational content to induce prospects to hand over their contact information in 2011 and approximately the same number said they relied on discount offers or product samples to acquire that data. By contrast, only about a quarter of respondents said they had used contests or other engaging events to get customers to opt into receiving marketing—about the same as the proportion who offered service enhancements in exchange for data. According to written responses, those enhanced service features can include anything from no-cost consultations to a month of free use of the platform or solution. But a solid 15% of respondents said they relied on the offer of free or almost-free shipping to get leads. The same percentage who pointed to “other” listed everything from Starbucks or iTunes gift cards to free mobile apps or email alerts on new product introductions.
How do you calculate ROI for lead-gen?

The Bottom Line
It’s still the conversion that matters most to prospectors. Almost two thirds of the response group (64%) said they ultimately figure return on investment (ROI) from lead generation efforts based on the cost per action. That compares to just over a fifth (22%) who measure lead-gen cost efficiency by looking primarily to the expense per lead acquired. Only 155 of respondents said they calculate ROI based on the number of leads that merit a contact from the sales department.

Keeping Score
As in past years, the large majority of respondents (64%) say their companies do not currently use any kind of software solution to score, track or manage leads they acquire through prospecting. About the same proportion (66%) say their company is nonetheless able to attribute those leads by channel source, so the lack of an automated solution doesn’t seem to rule out at least some visibility into the lead funnel—although allocating credit further back than that last click must be a challenge.

Still, about 42% of those polled say their company’s lead-management practices are much or somewhat better than average, and another 39% say they’re right in mid-pack. That leaves only about one fifth of respondents who say they handle leads, once acquired, less efficiently than their rivals.
**Sourcing Names**
The last few years of the Chief Marketer Prospecting Survey have shown a slow but steady increase in the proportion of marketers who say they are getting at least half of their lead-gen names from sources other than traditional list brokers. This year that percentage is 55%, the same as last year’s finding but up from 50% in the 2010 survey. But almost 55% of those polled this year said they got three-quarters of their leads from a source beside rented or bought lists.

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**Email Acquisition Attention**
A solid 62% of respondents to this year’s survey say they have email acquisition programs in place, and a further 16% say that while they haven’t used the channel for leads in the past they will do so in 2012. That makes more than three-quarters of the marketers polled who expect to be trolling for new business via inboxes by the end of this year. By contrast, 7% of respondents say they will cease trying to prospect by email in 2012. Add that to the 15% who have never used the channel for prospecting and don’t have plans to start, and the resulting one-fifth of marketers opposed to acquisition emailing may seem surprisingly large.
DO-IT-YOURSELF LISTS
 Asked where they get the names and addresses they use in their email prospecting—and permitted to check off whatever methods they may use—almost 75% of marketers say they go directly to the source and get their opt-ins over a website, in-store sign-ups or some other direct action on the part of prospective customers. By comparison, almost 30% say they make at least some use of bought or rented lists and about one fifth get some of their leads from affiliate marketing.

A similar percentage (19%) say a portion of their prospect lists come from deals that get their opt-in including in mail sent out by other marketers.

B2B marketers have other resources at their command, and these are largely represented in the “other” category checked by 20% of respondents. “[Addresses] collected by sales reps—these are the best,” one respondent wrote, while another said email data was “compiled from memberships/directories.” “Contacts at trade shows and word of mouth—this is a small company,” said a third.

PRICE AND MEASUREMENT
 Asked to name the top three reasons why they prospect via email, those who do pointed to email’s relatively low cost as its biggest lead-gen advantage (77%) by such a large margin that it’s hard not to see email prospecting as largely a price play. That was followed somewhat distantly by its trackability (50%) and the chance to customize the marketing message or tailor offers to specific recipients (47%).

Interestingly email’s mass reach and testability ranked lower than in previous surveys (32% and 29% respectively). This possibly reflects the rise of other, equally broad-based channels for testing offers, such as social networks. (Meanwhile, only 19% said they use email because it can be shared over those social networks.)
WHAT’S STOPPING YOU?
As noted above, marketers who won’t
prospecting via email are a minority
(22%). But that subset’s reasons for
avoiding the channel are instructive.
Thirty-two percent say they are afraid
of looking like a spammer to those
prospects (or their ISPs, if enough
acquisition emails go unopened—a dis-
tinct possibility, since 22% of the email
avoiders say open rates are too low.)
On the other hand, 265 of market-
ers who don’t currently prospect in
email say they’re dissuaded by the
difficulty of cutting through mailbox
clutter (26%). In last year’s survey that
inbox static ranked as the Number Two
objection raised to email prospecting.
But this year it’s been overtaken by
a new reason to stay away from the
prospecting email: namely the wide
availability of “more appealing” lead-
gen options (31%). While that term is
purposely open-ended, it’s
hard not to see the rise of social
media in there. and low open
rates (22%).

WHAT IS YOUR BRAND’S STANCE ON PROSPECTING
IN SOCIAL NETWORKS?

- We’re building relationships or awareness
  that may produce transactions over time:
  47%
- We’re not currently prospecting
  in social networks:
  23%
- We’re using social media to
  drive traffic to our web sites:
  20%
- We’re using social media to gather opt-ins
  through incentives (coupons, contests, etc.)
  5%
- We’re getting buzz by urging fans to share
  our content to their social profiles:
  3%
- We’re selling goods (real or virtual)
  within social networks:
  2%

FOR THE FIRST TIME, ACQUISITION-EMAIL AVOIDERS
ARE LESS LIKELY TO BLAME INBOX CLUTTER FOR
THEIR AVOIDANCE THAN TO POINT TO MORE
PROMISING PROSPECTING CHANNELS ELSEWHERE.

SOCIAL’S APPEAL
Social
media prospecting is definitely one of
those new attractors for most survey
respondents. Only 23% of respondents
say their company is not currently
looking for new customers in social
channels, down a bit from 26% who
said the same last year.
Among those who are using social me-
dia for lead-gen, a very large propor-
tion (47%) are simply building engage-
ment and awareness on their social
pages in the hope that new customers
will be drawn in by experiencing the
brand socially. Another one-fifth says
their primary strategy is simply to lead
people from Twitter, Facebook, Linke-
dln et al. to their web site. Only 55 are
actually amassing opt-ins through in-
centives, and fewer are aiming first of
all for viral spread (3%) of a message
or for social commerce (2%).
THE SOCIAL METRICS DILEMMA  More respondents than ever (45%) point to social media's constant need for fresh content as their biggest pain point generating leads in the channel, and almost as many (40%) cite the difficulty of prospecting in a medium where users go for very non-commercial purposes. But this year's survey saw a sizeable jump in those complaining about difficulty measuring the impact of social prospecting (37%, up from 31% in last year's survey) and a small increase in those complaining of unqualified leads (29%). Measuring social campaigns may not be getting harder, but it is probably getting more crucial as the channel fills.

MEASURING SOCIAL LEAD-GEN SEEMS TO BE BECOMING MORE CRUCIAL AS MARKETERS MOVE INTO THE CHANNEL. ALMOST 30% COMPLAIN ABOUT UNQUALIFIED LEADS.

B2B LOOKS FURTHER  The mainstays of B2B prospecting—referrals, live visits (including conferences), email and direct marketing—will remain so in 2012, at least as sources for qualified leads. But fewer B2B marketers point to those channels as growth media for leads this year. Instead, slight increases are distributed among a range of secondary tactics, from white paper/webinar content and participation in professional forums to social listening.

METHODOLOGY: An online poll of 346 B-to-B marketers was fielded by Chief Marketer from November 10 to December 19, 2011. Respondents came from a range of industry verticals, including manufacturing, retail, financial, health care, travel, entertainment, advertising, publishing and non-profit sectors.