



OPTIMAL LEAD GENERATION METHODS

HOW THE WORLD'S TOP SALES AND
MARKETING LEADERS ESTABLISH
THEIR BRAND, GENERATE LEADS,
AND BUILD PIPELINE

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EXECUTIVE SUMMARY

Marketing and sales don't always get along. According to a survey done by Corporate Executive Board, marketers called sales people, "incompetent", "cowboys", and "simple-minded." The same survey also looked at common words used by sales people to describe marketers: "paper-pushers", "academics", and "irrelevant". The survey noted that 87% of the words used by sales and marketing to describe each other were negative.¹

In order to help solve this problem, XANT asked 678 sales and marketing leaders their opinion on key issues regarding marketing tactics, brand management, lead generation, pipeline creation, and marketing challenges. The aim of the survey was to begin the conversation to help marketing and sales align on both strategic and tactical actions needed to be successful.

ADOPTION

Every company adopts different lead generation methods but sales and marketing professionals agree that company websites are the most widely adopted strategy (83%) followed closely by email marketing (74%). Company blogs had the biggest increase in adoption since the survey was last performed in 2013 (19%). When asked what lead generation methods would be continued in the coming year, 93% of sales and marketing leaders, who currently use inside sales to generate leads, said they would continue using it—the highest percentage of any method. Inside sales was also the highest-ranked method for new adoption by those who weren't currently using it (13%).

Sales and marketing disagree most about what marketing strategies would continue into the next year—sales leaders are in favor of sales development and inside sales and marketing leaders are in favor of paid media and mobile ads.

¹ <https://hbr.org/2011/11/how-the-rift-between-sales-and>

EFFECTIVENESS

Marketing and sales leaders often differ on their opinions on what methods are the most effective at creating brand awareness, leads, and pipeline, but there are some things they can agree to. Small events targeted at executives were rated as the most effective way of generating positive brand awareness (79%) and generating quality leads (77%). Sales and marketing leaders agreed that company websites (28%) and inside sales (27%) were the most effective for generating a high quantity of leads. LinkedIn saw the biggest improvement in its ability to generate leads (28%) since the survey was last performed in 2013 (44%). Both sales and marketing leaders agreed that sales development was the most effective tactic for generating pipeline (73%). Each department had marketing strategies that they liked more than the other—for creating brand awareness, marketing leaders had a much higher opinion of social media than sales leaders did. For generating leads, sales graded events—both tradeshow and small executive events—higher than marketing. For generating pipeline, sales thought more highly of Google+ and sponsorships than marketing did while marketing liked webinars and search marketing.

CHALLENGES

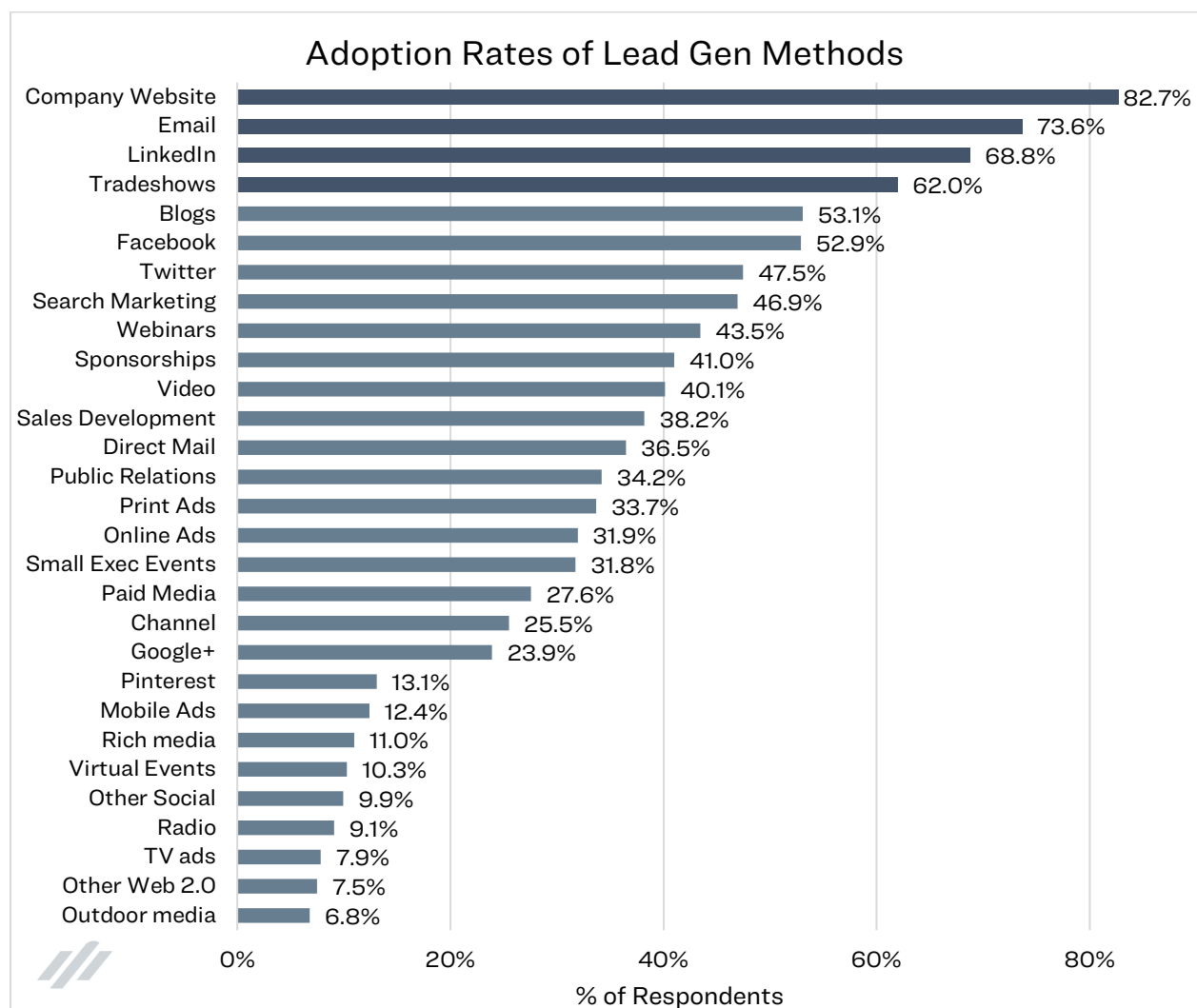
When sales and marketing leaders were asked what their biggest marketing challenge was, nearly half (49%) reported they were not getting enough leads. Interestingly, companies with larger marketing budgets saw *quality* of leads as more of an issue than *quantity* of leads.

Sales and marketing leaders disagree most about the importance of developing a company's brand (22% higher for sales) and the need to work within a budget (41% higher for marketing).

ADOPTION TRENDS

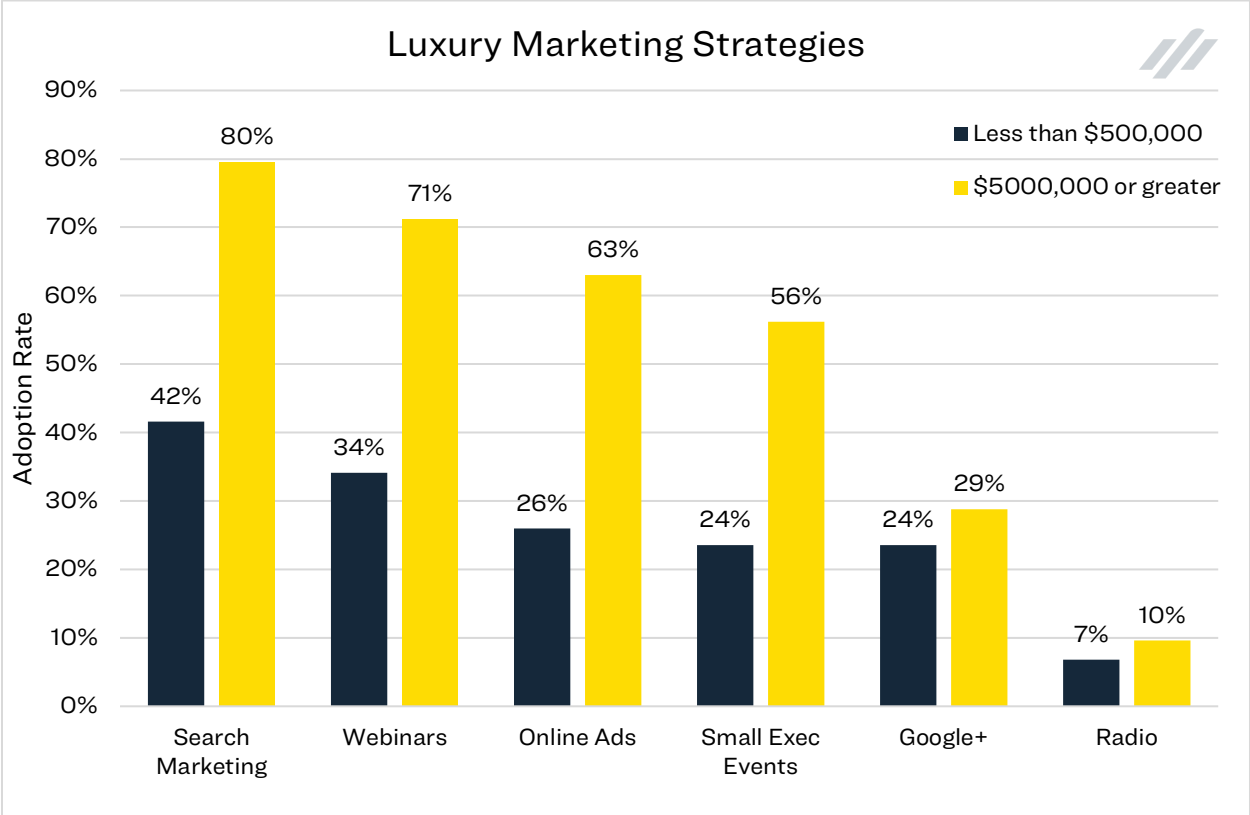
Company websites are the most adopted lead generation method (83%)
Although there are hundreds of lead generation methods companies can choose from, both sales and marketing leaders reported that company websites are the most adopted (83%). Closely following websites are email marketing (73.6%) and LinkedIn (68.8%).

Interesting to note, social media in general was well-adopted this year with LinkedIn, Facebook, and Twitter all making it on the top ten list.



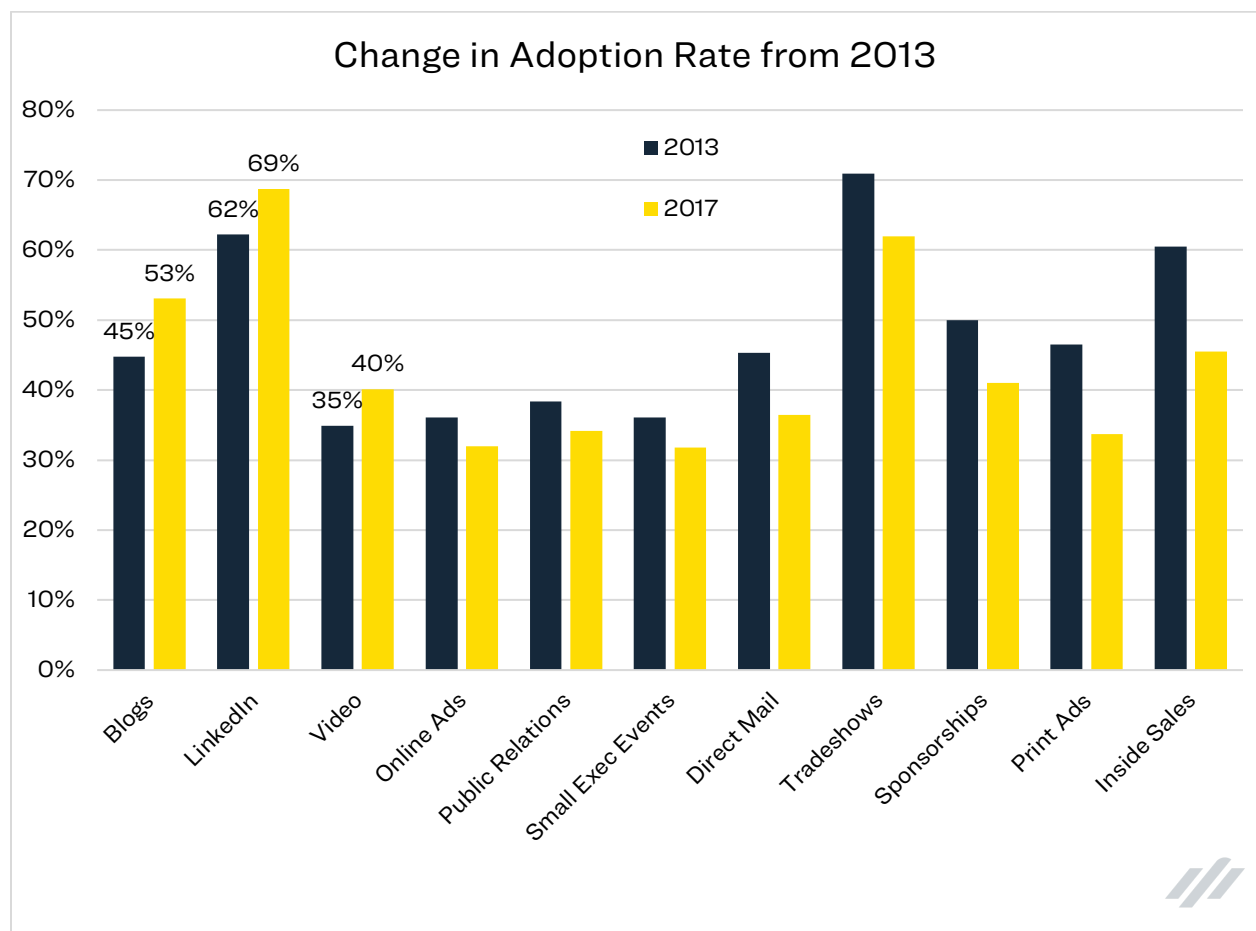
Search marketing (80%) and webinars (71%) are more highly adopted by companies with larger marketing budgets

Companies with larger marketing budgets can take advantage of more lead generation methods. With their larger budgets, these companies' sales and marketing leaders focus a lot of their energy on search marketing (80%) and webinars (71%). These two strategies saw the biggest difference of adoption between high and low marketing budgets.



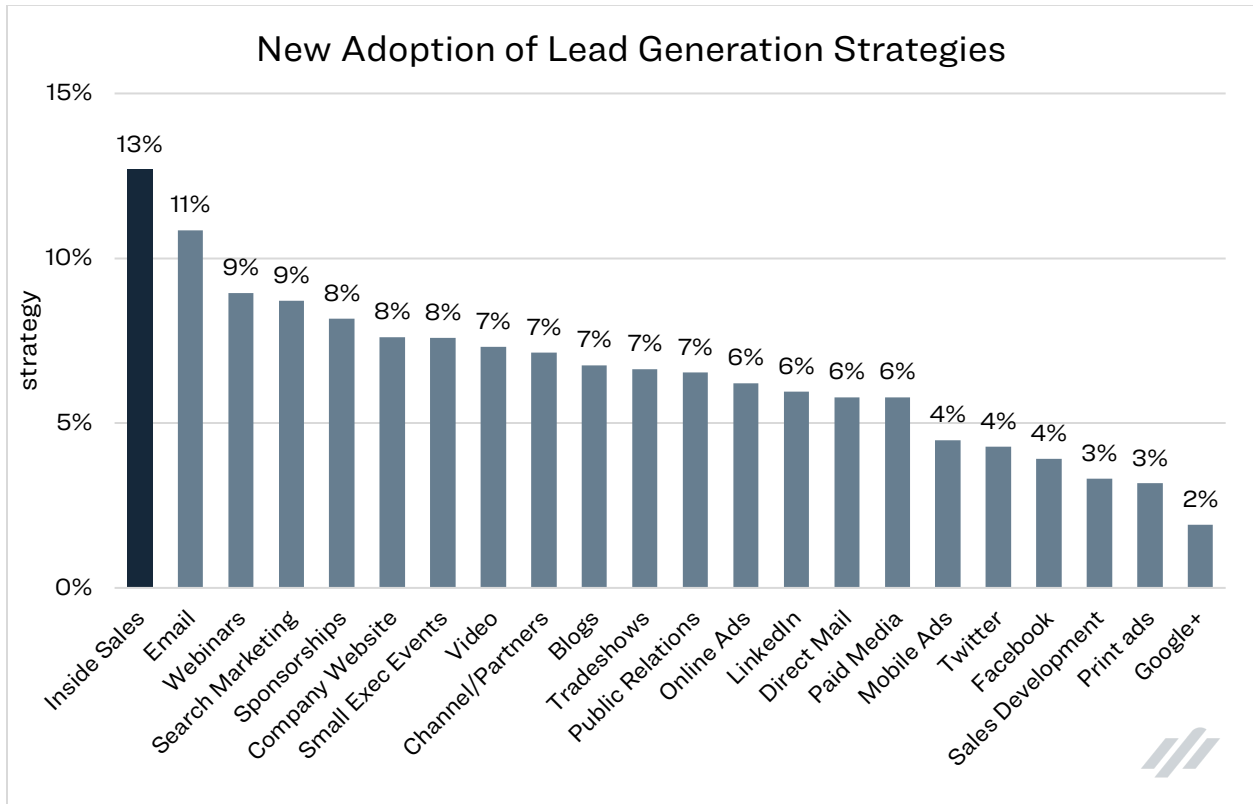
Blogs (8%), LinkedIn (7%), and video (5%) saw the biggest increases in adoption since 2013

Haven't blogs been around a long time? Yes, but blogs saw the biggest increase in adoption (8%) as sales and marketing leaders are refocusing their efforts and using different mediums to produce content such as their own blog, partner blogs, and free publishing sites like Medium. LinkedIn's popularity is growing and was the second biggest increase (7%) in adoption as B2B leaders are finding it more and more effective at generating leads. Video continues to see more use as a key marketing strategy as adoption increased (5%). Videos are being used wherever possible as prospects and customers can more easily digest them than heavier content so expect this trend to continue to rise.



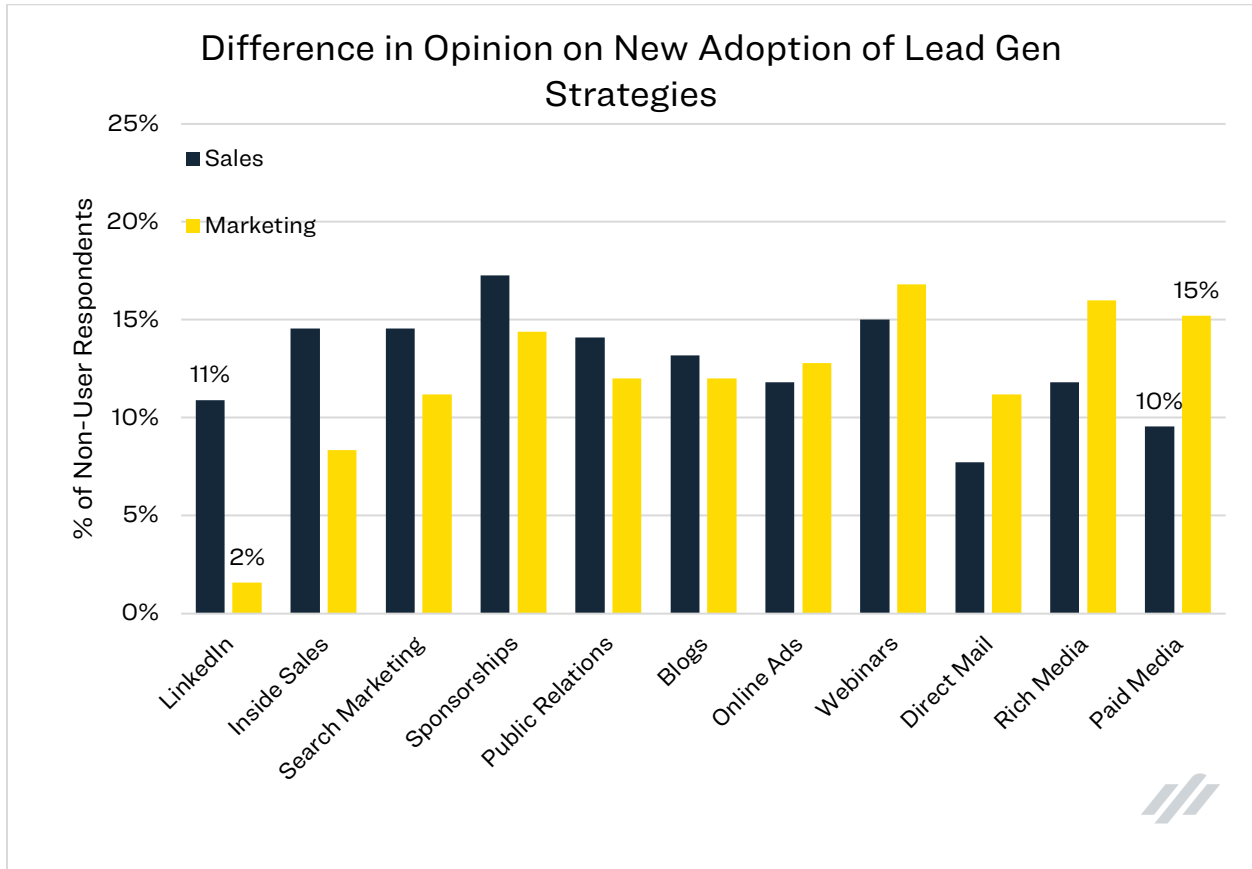
Inside sales is the strategy more sales and marketing leaders (13%) are willing to try this year than any other method

Despite a slight drop from the previous study (see above graph), inside sales ranked the highest among all strategies for new adoption in the coming year. 13% of sales and marketing leaders who hadn't been using it previously say they will try it in the upcoming year.



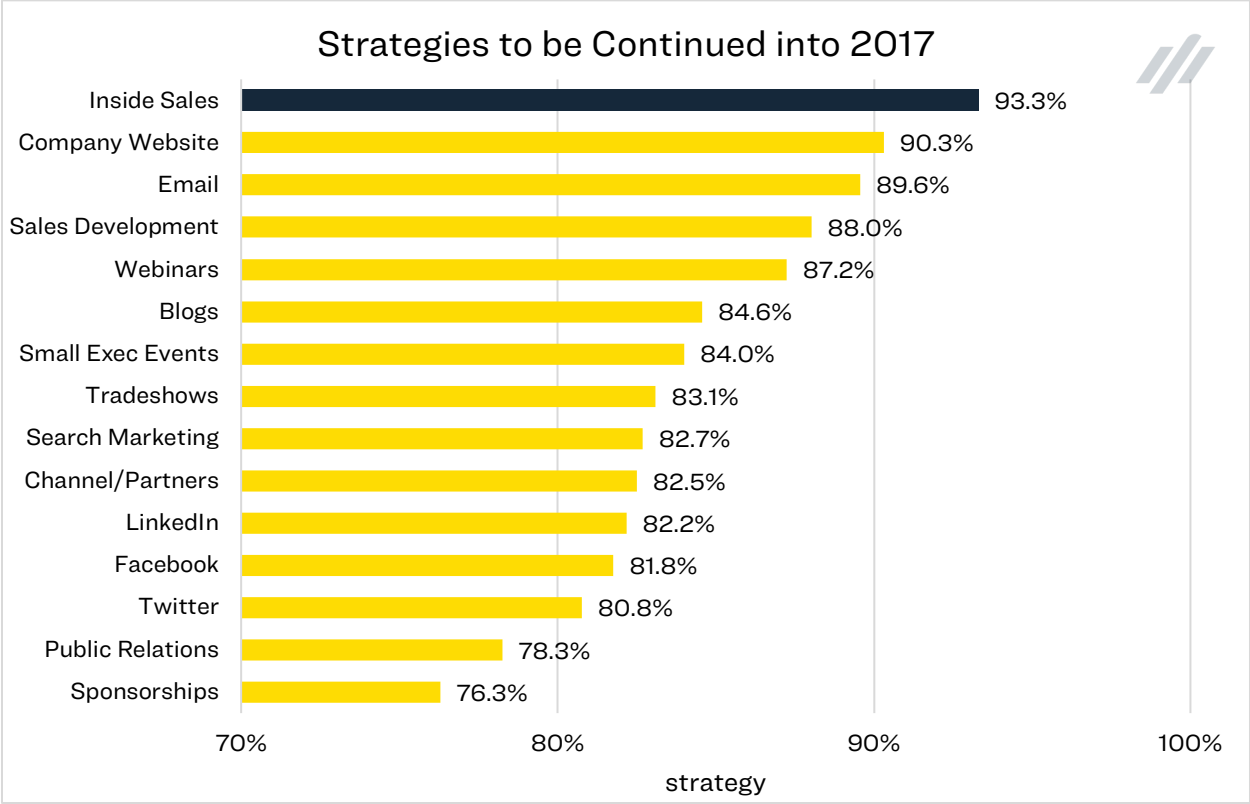
Sales favored LinkedIn (9% higher) while marketing preferred paid media (5% higher)

Sales and marketing leaders disagreed most about the benefit LinkedIn will have in the future for generating leads. Marketing leaders believe paid media (15%) will see the biggest adoption increase while sales did not (10%).



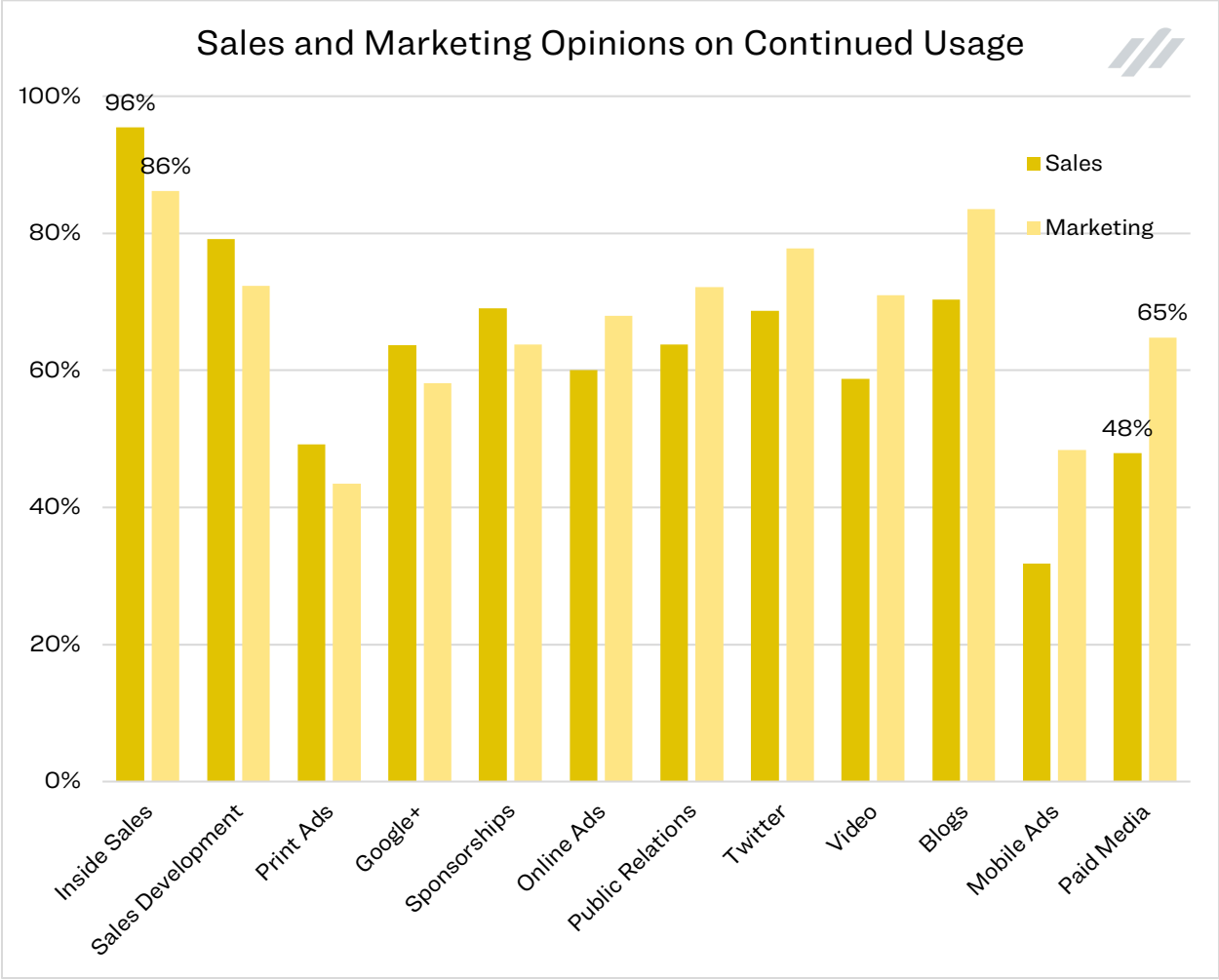
93% of sales and marketing leaders who currently use inside sales say they will continue using it

When sales and marketing leaders were asked if they would continue using each of their current lead generation methods, 93% said they would continue using inside sales.



Sales and marketing disagree on the future effectiveness of inside sales (10% higher for sales) and paid media (17% higher for marketing)

Sales development and inside sales were judged to be more effective lead generation methods in the future. Interestingly, marketing leaders reported that mobile ads and paid media would be the most effective lead generation methods in the future.

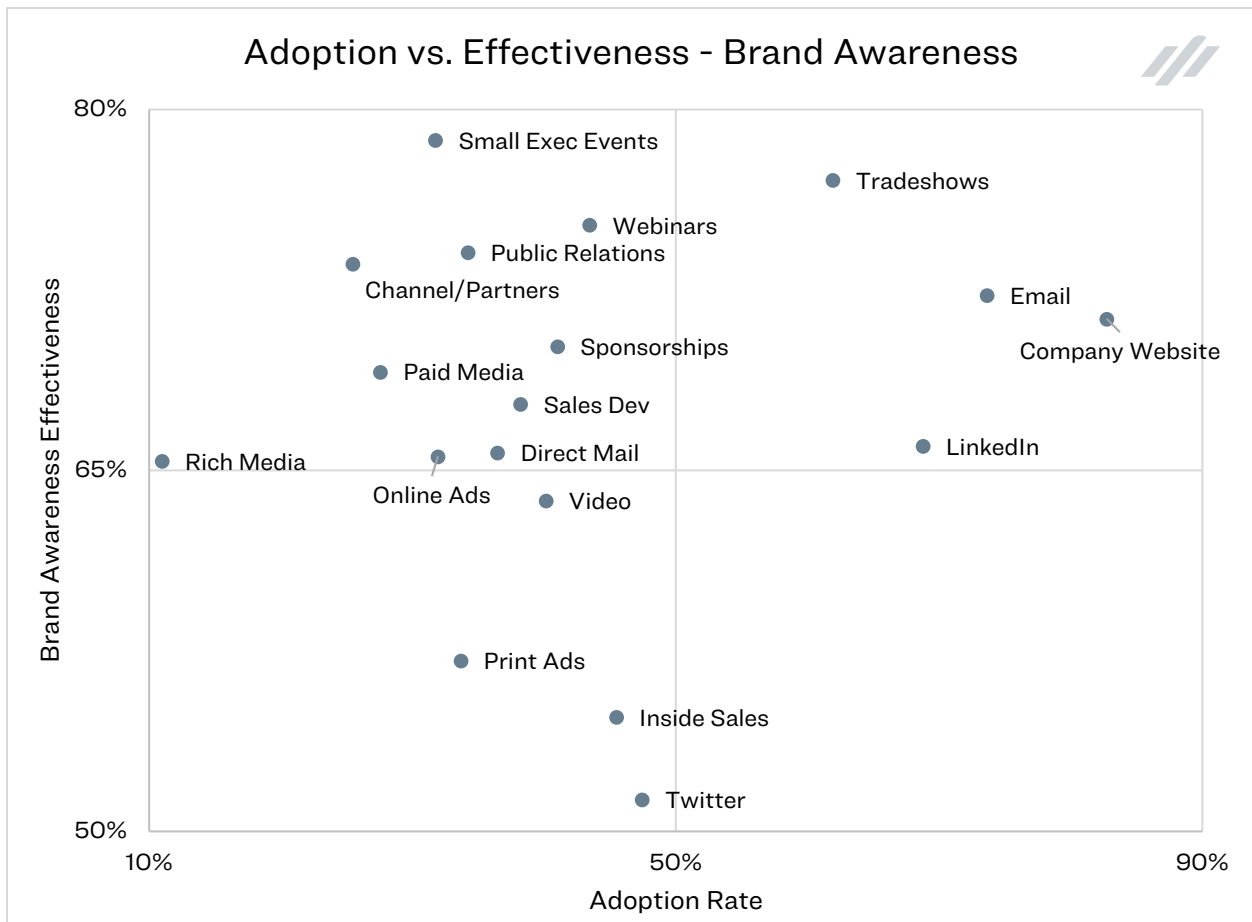


ADOPTION VS. EFFECTIVENESS

Small executive events (79%) and partner relationships (77%) are effective yet underutilized ways to increase brand awareness

In order to determine which strategies were underutilized, we compared adoption rates with effectiveness. Examining brand awareness revealed that small executive events (79%) and partnerships (77%) were effective but less-adopted.

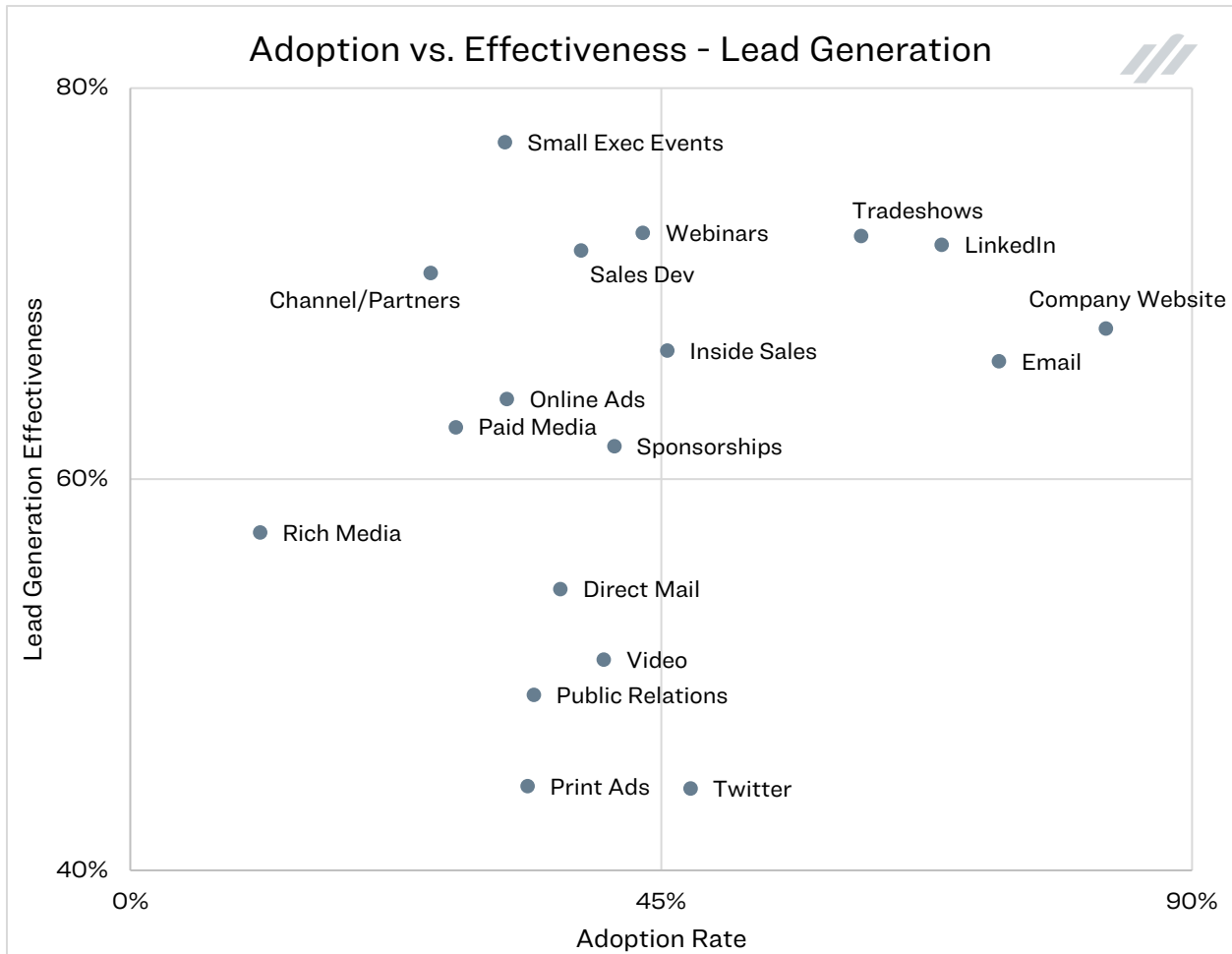
LinkedIn was well adopted despite the fact that leaders didn't believe it was effective at creating brand awareness.



Channel selling is an untapped yet effective resource for generating leads

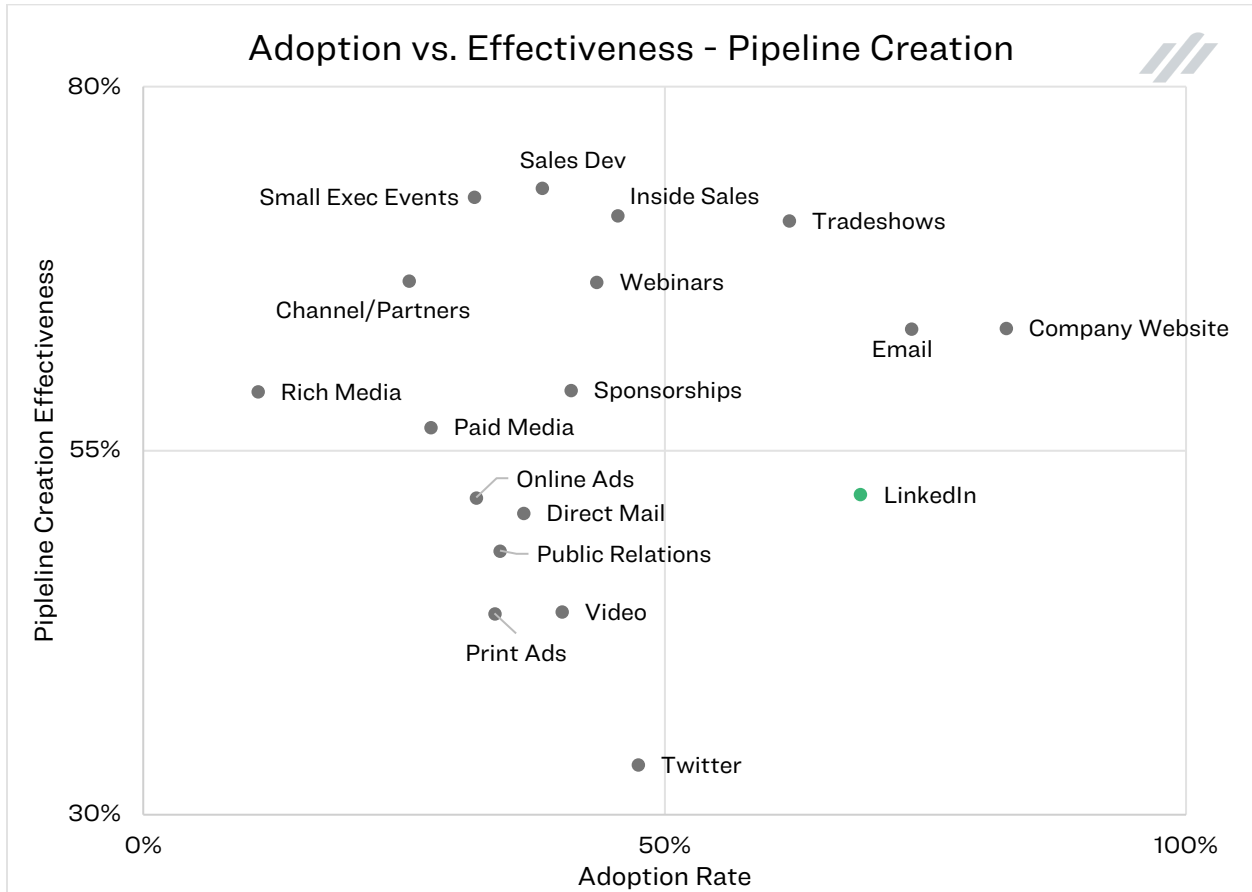
Sales and marketing leaders who use channel selling reported that it is effective at generating leads, but a relatively small number utilized it. This indicates that channel selling is an opportunity for sales and marketing leaders to more effectively generate leads.

While channel selling is under-utilized, Twitter may be over-utilized as it's less effective but highly adopted.



LinkedIn's limited ability to generate pipeline may not justify its high adoption rate

Several strategies ended up in the top left corner of the below quadrant indicating that they may be under-utilized but effective methods for generating pipeline. LinkedIn, in the bottom right quadrant, is highly adopted, but not as effective at generating pipeline compared to other methods.

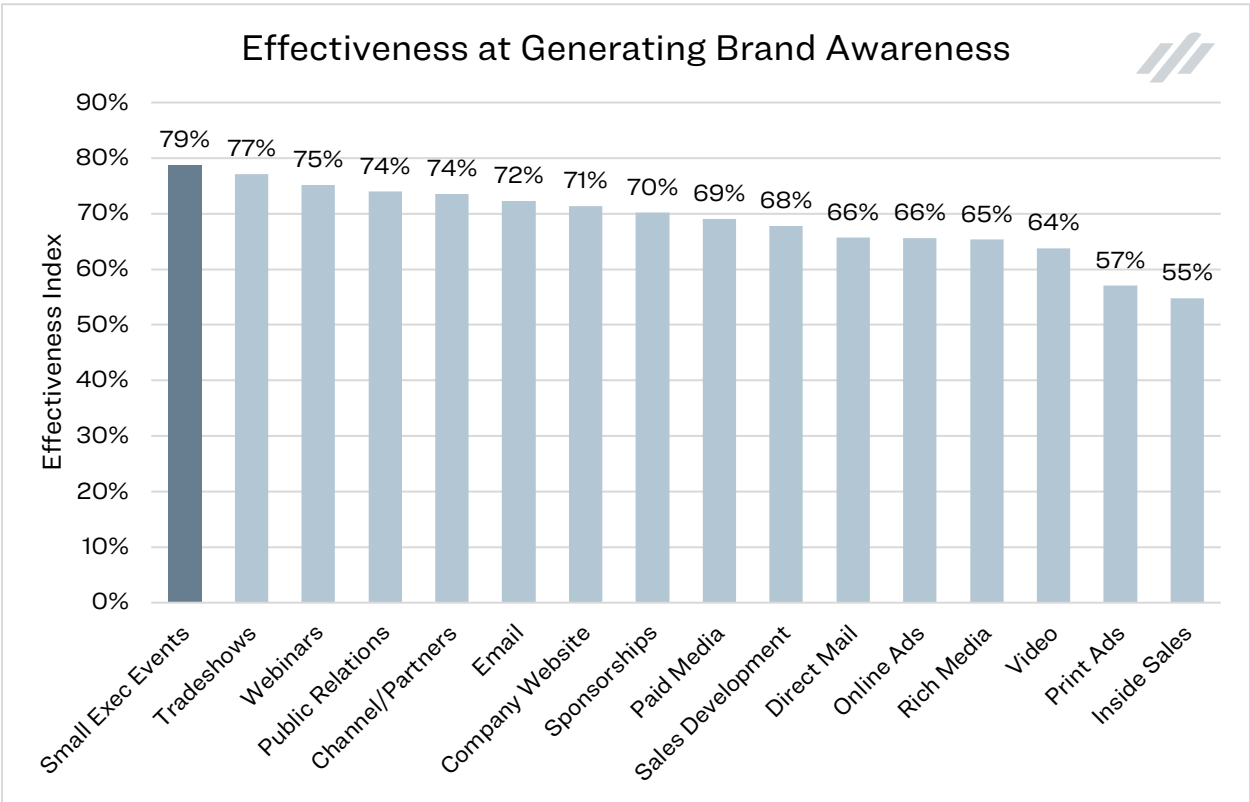


EFFECTIVENESS

BRAND AWARENESS

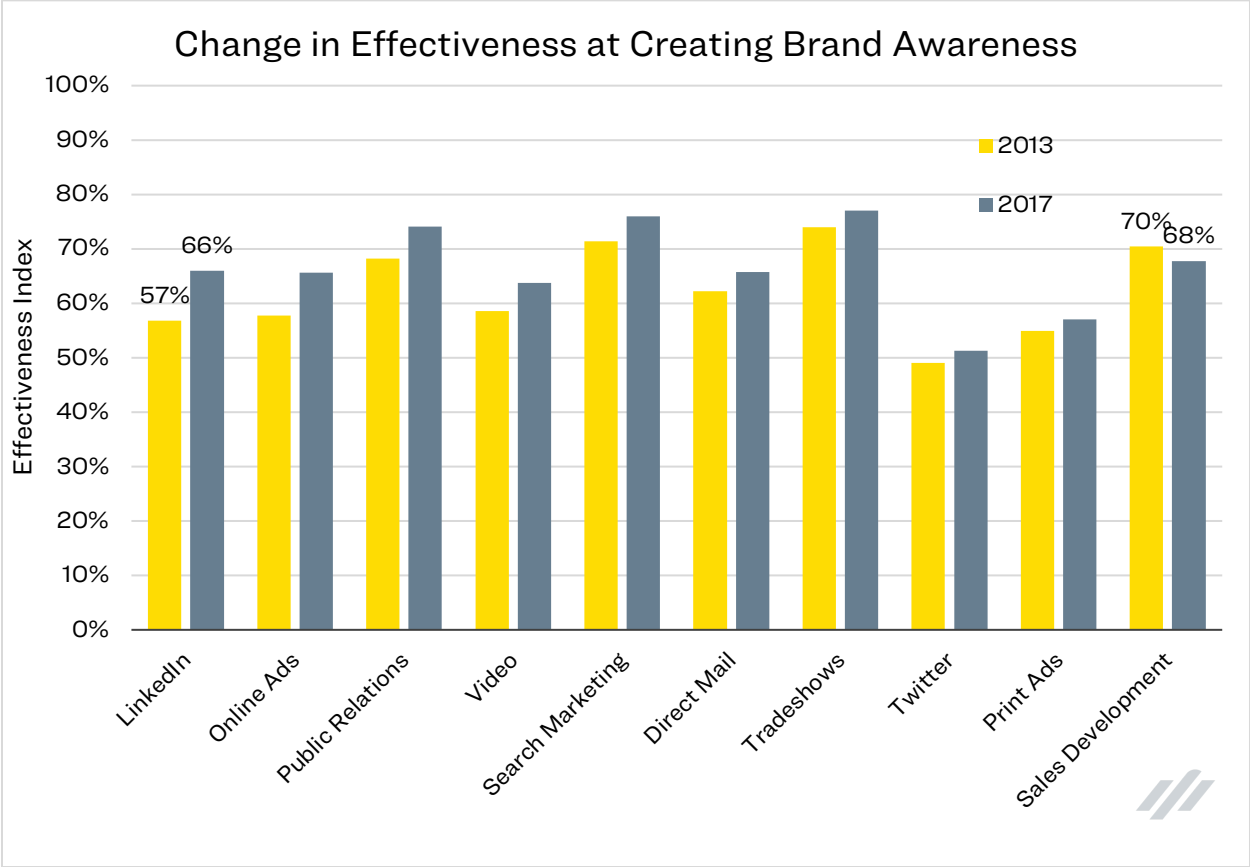
Small executive events were identified as the best way to generate high quality brand awareness (79%)

The top two preferred methods for creating high-quality brand awareness were both events—small events tailored to executives and tradeshow. Although these events may not create a lot of brand awareness, the personal touch allows a company to directly communicate its mission to customers and prospects.



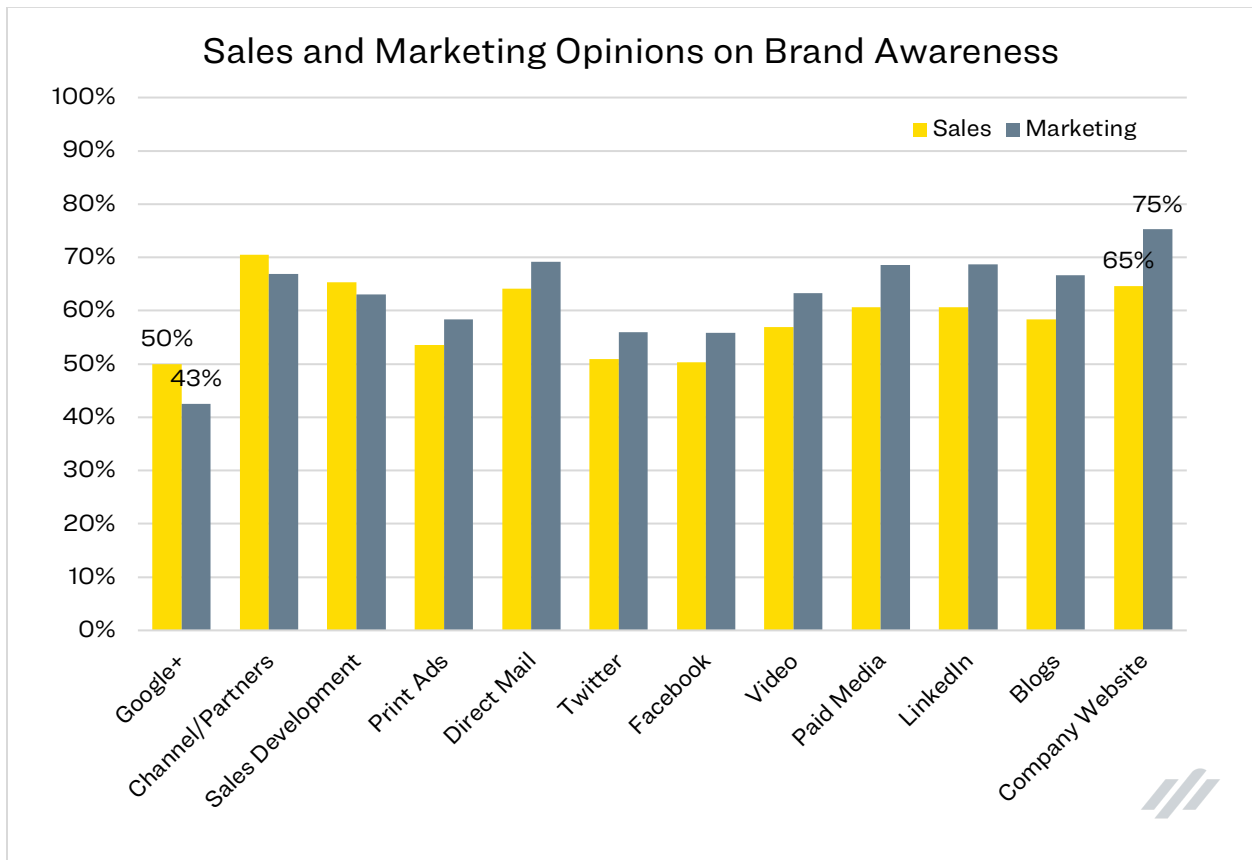
LinkedIn experienced the biggest increase in effectiveness at generating brand awareness (9%), while sales development saw the biggest decrease (2%).

LinkedIn became more appealing for creating brand awareness in 2017 (9% increase). Opinions about the effectiveness of sales development at creating brand awareness have decreased the most in the last few years (2%).



Marketing and sales disagreed the most on the effectiveness of company websites (10% higher for marketing) and Google+ (7% higher for sales) at generating brand awareness

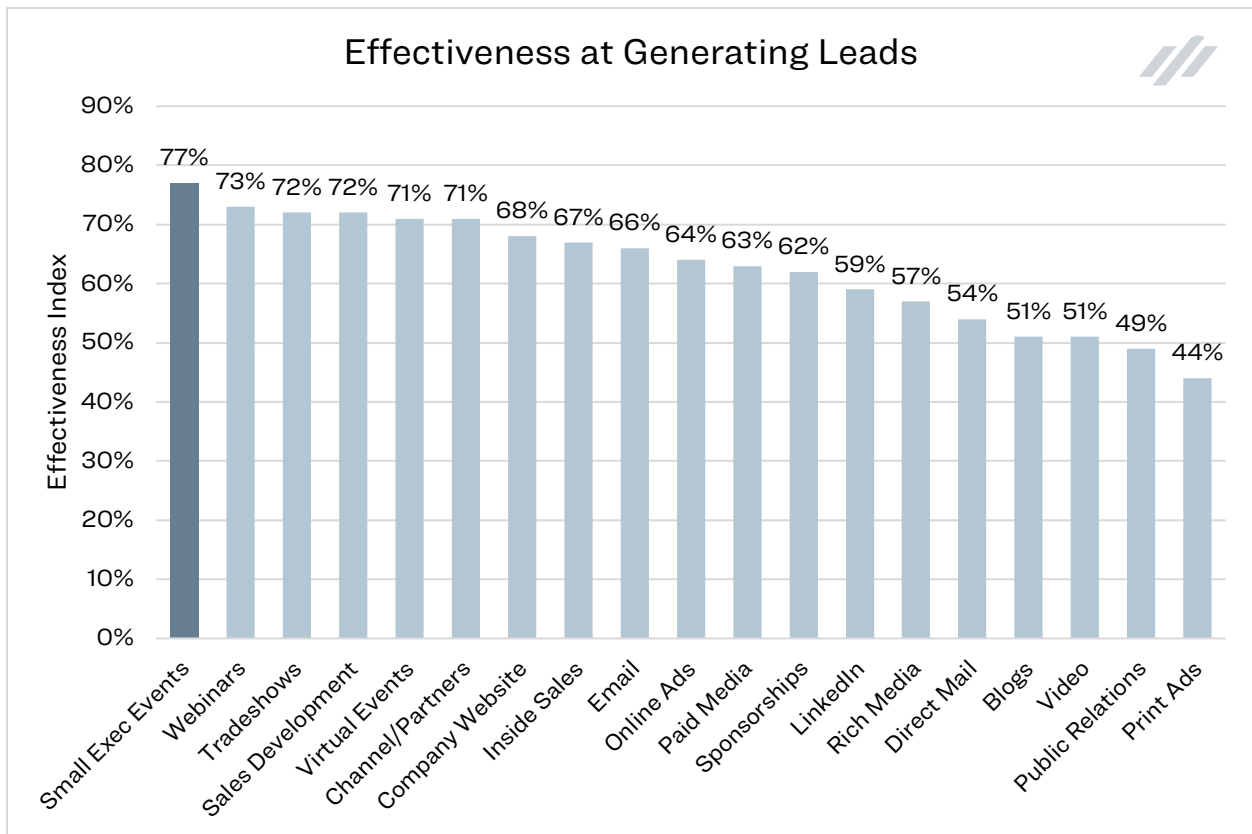
Marketing reported company website as being more effective at generating quality brand awareness (10 percentage points higher) but their view of Google+ was 7 percentage points lower than sales.



LEAD GENERATION

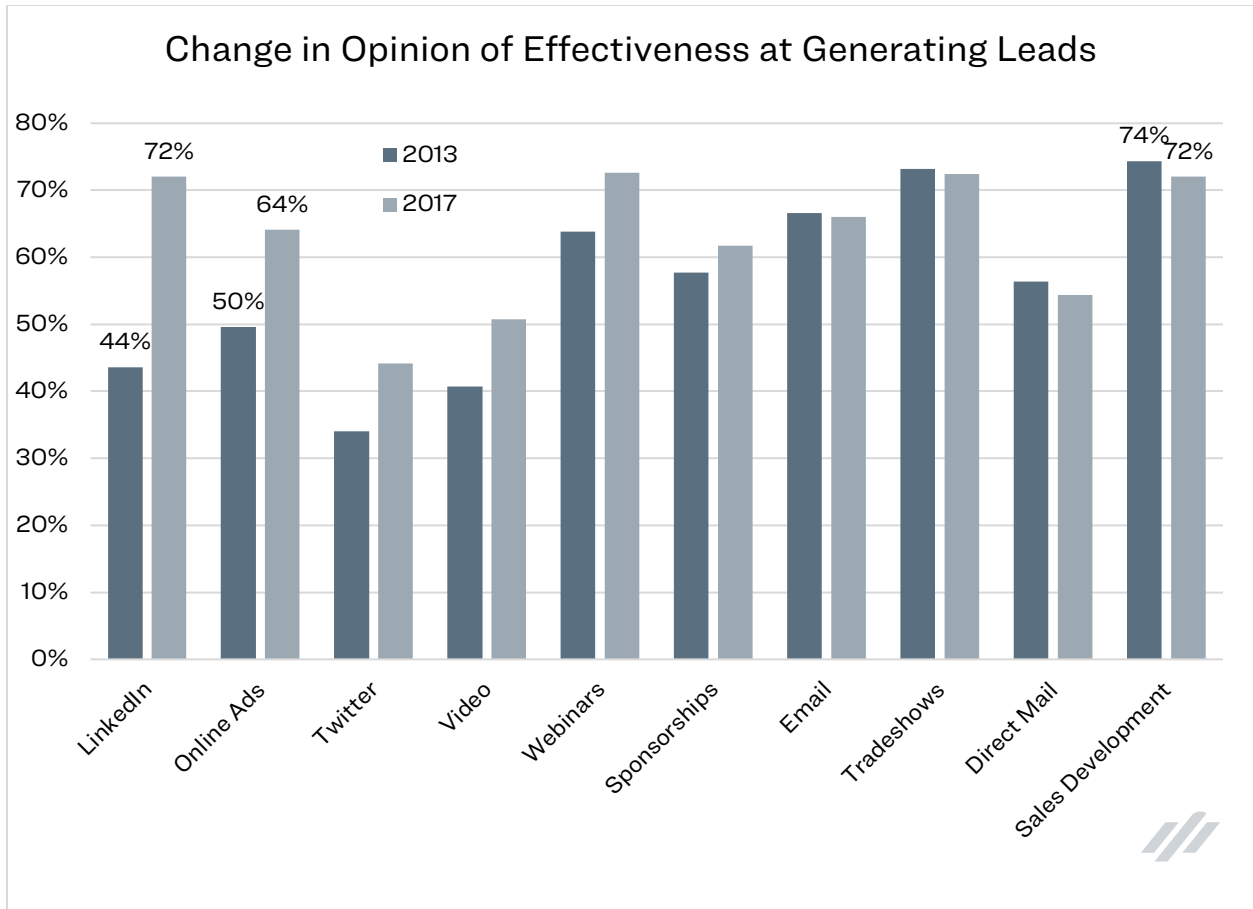
Small executive events (77%) and webinars (73%) were identified as the best ways to generate quality leads

Small events focused on executives were reported as the best way to generate brand awareness and high quality leads. Being face to face with a customer allows sales and marketing leaders to generate the most qualified leads (77%). Webinars although known for their ability to generate quantity of leads were the second most effective at generating quality of leads.



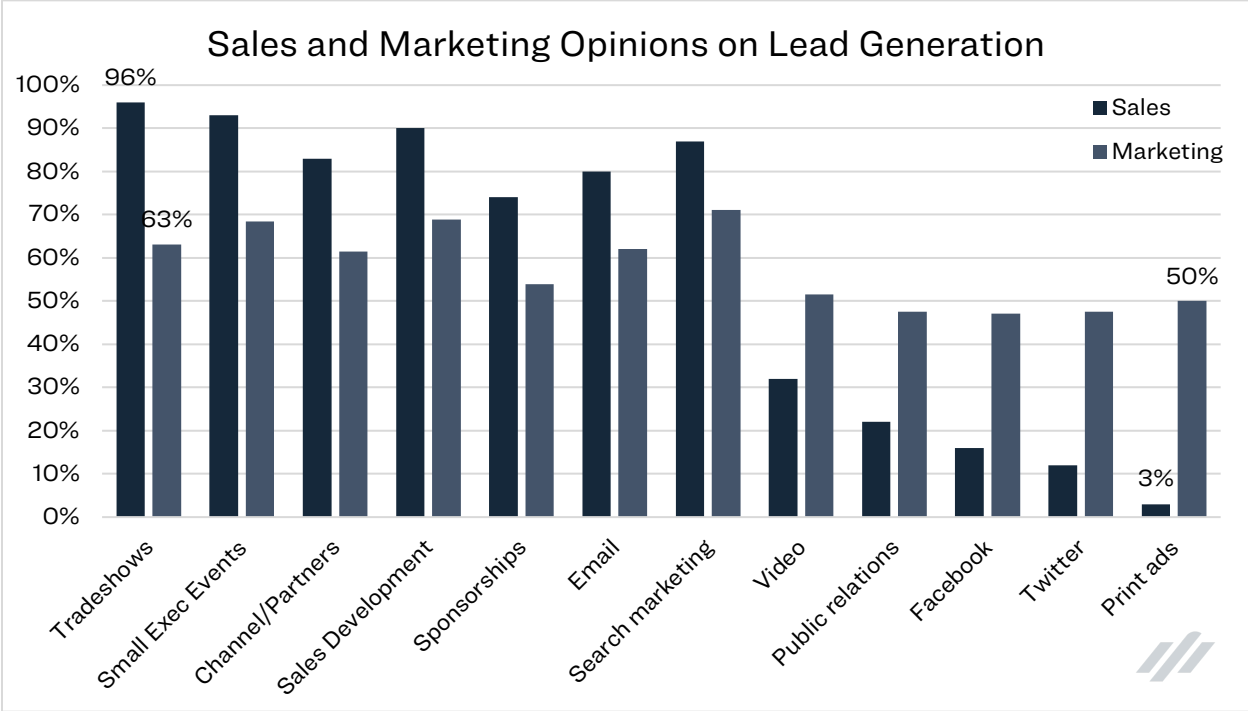
LinkedIn (28%) and online ads (14%) experienced the biggest increase in lead generation effectiveness

When it comes to generating leads, sales and marketing leaders' opinions about the effectiveness of LinkedIn (28%) and online ads (14%) increased the most. The effectiveness of sales development saw a slight decrease (2%) in effectiveness since 2013.



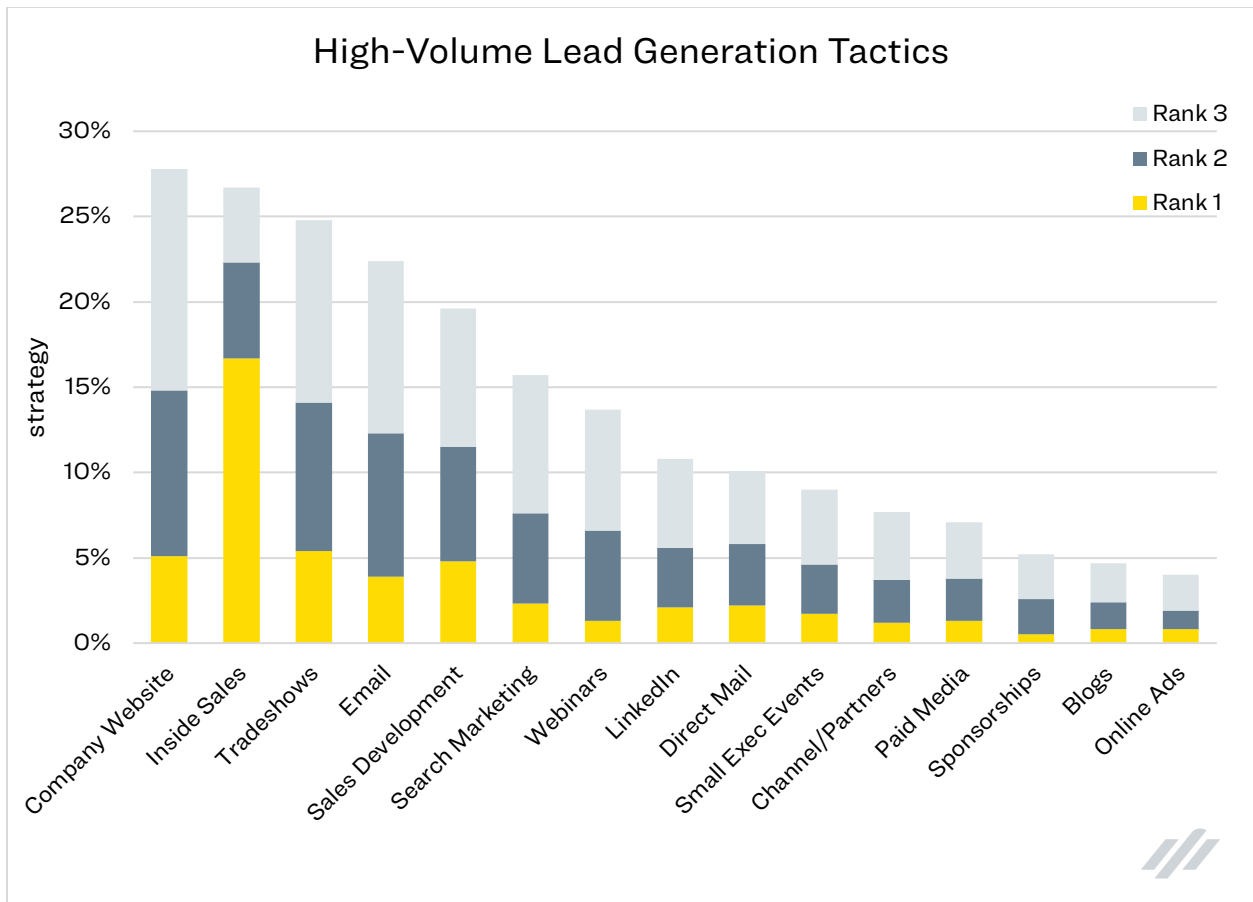
Sales and marketing disagree on the effectiveness of tradeshow (33% higher for sales) and print ads (47% higher for marketing)

Sales leaders believe tradeshow (96%) are more effective at generating leads than marketing leaders (63%). However, sales saw print ads (3%) as being much less effective than marketing (50%).



Company websites (28%) and inside sales (27%) were identified as the best high-volume lead generation strategies

Company websites are the most widely-adopted high-volume lead generation method. When asked about their top-three methods, company websites were consistently identified. However, inside sales had the highest percentage of respondents who ranked it as their number one method.

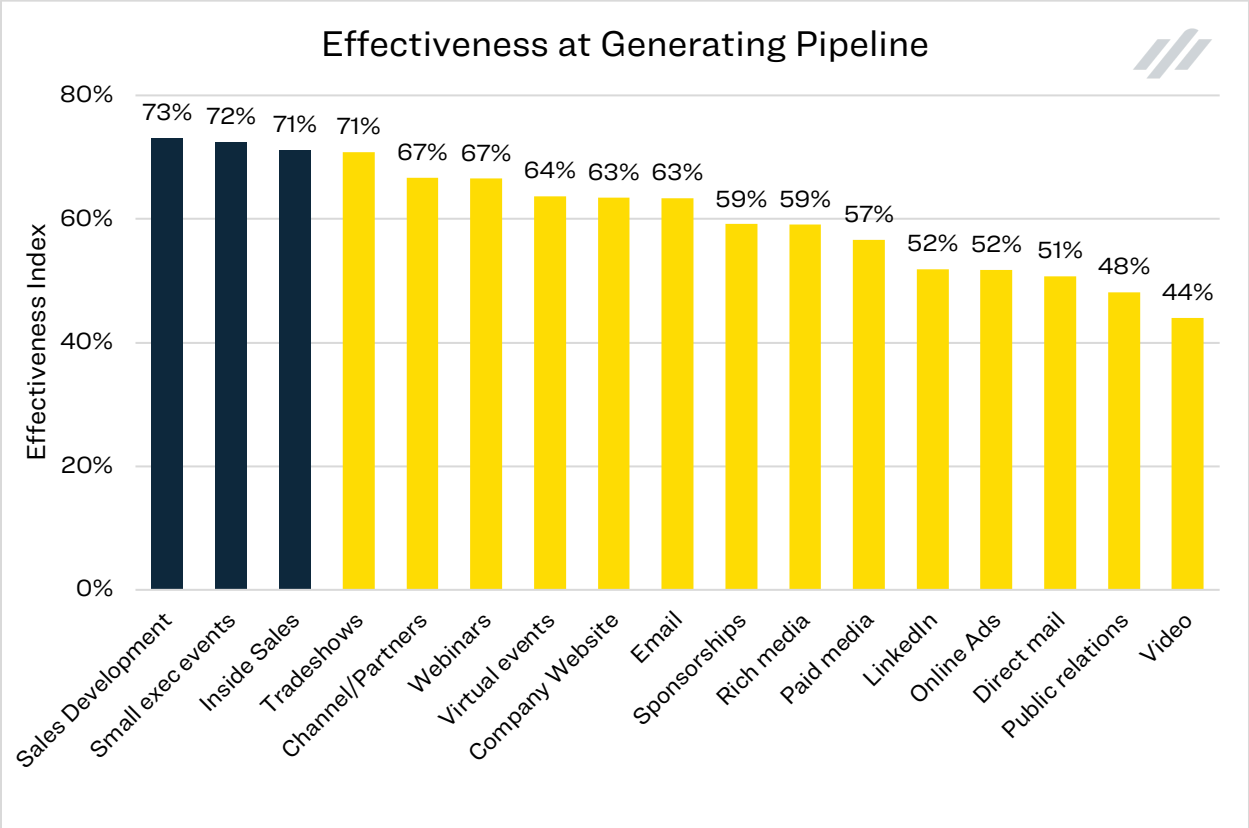


PIPELINE CREATION

Sales development (73%) is the most effective strategy for generating pipeline

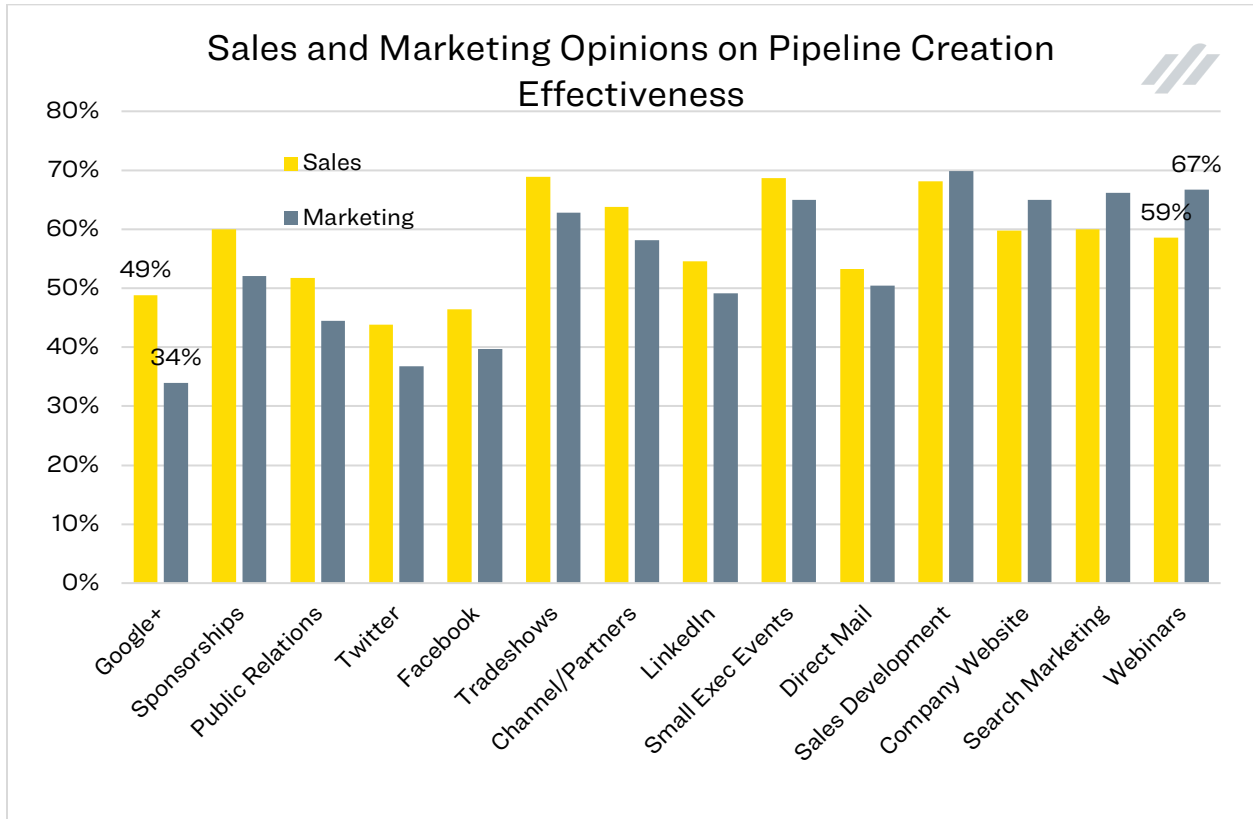
While sales development was one of the lower-ranked methods for brand awareness, sales and marketing leaders agree that it's the number one method for effectively generating pipeline.

Interestingly, small executive events have been at the top or near the top of every list as an effective method for creating brand awareness, generating leads, and creating pipeline. Although somewhat similar to sales development, having a professional sales team who sells remotely (inside sales) can be a very effective way at generating qualified pipeline because of the targeted account strategy that many sales people take.



Sales and marketing disagreed the most on Google+ (15% higher for sales) and Webinars' (8% higher for marketing) ability to generate quality pipeline.

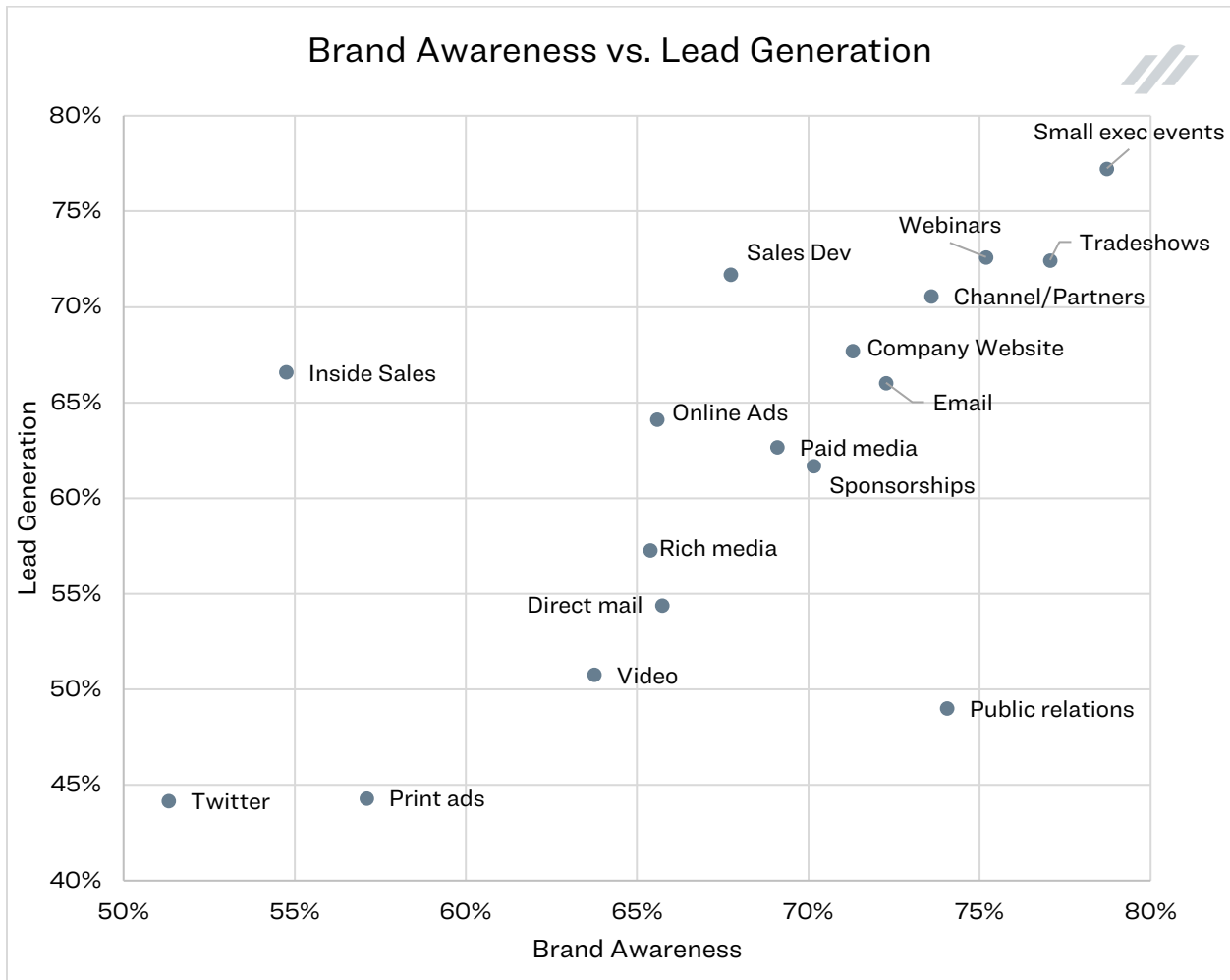
While not seen as extremely effective, Google+ did appeal much more to sales leaders than to marketing leaders to create pipeline. Marketing placed more value in webinars and search marketing than sales did.



Inside sales and sales development are more effective at generating leads than brand awareness while public relations is more effective at generating brand awareness than leads

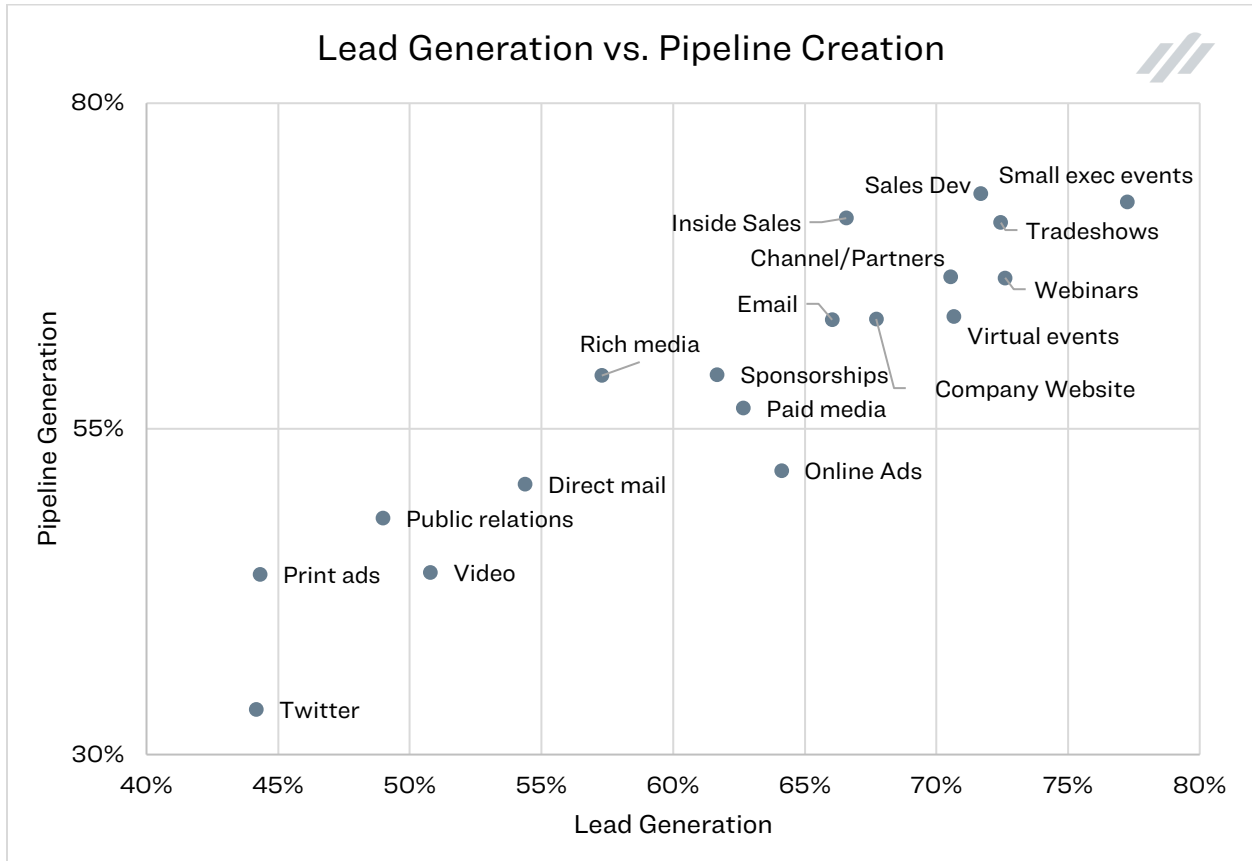
In general, marketing strategies that are good for creating brand awareness are also better at creating leads. However there are some methods that serve different purposes better than others.

For example, because of the nature of inside sales, it was seen as being much more effective at generating leads than brand awareness. Public relations, on the other hand, generated strong brand awareness, but wasn't as effective at generating leads.



Inside sales and sales development were more effective at generating pipeline than leads

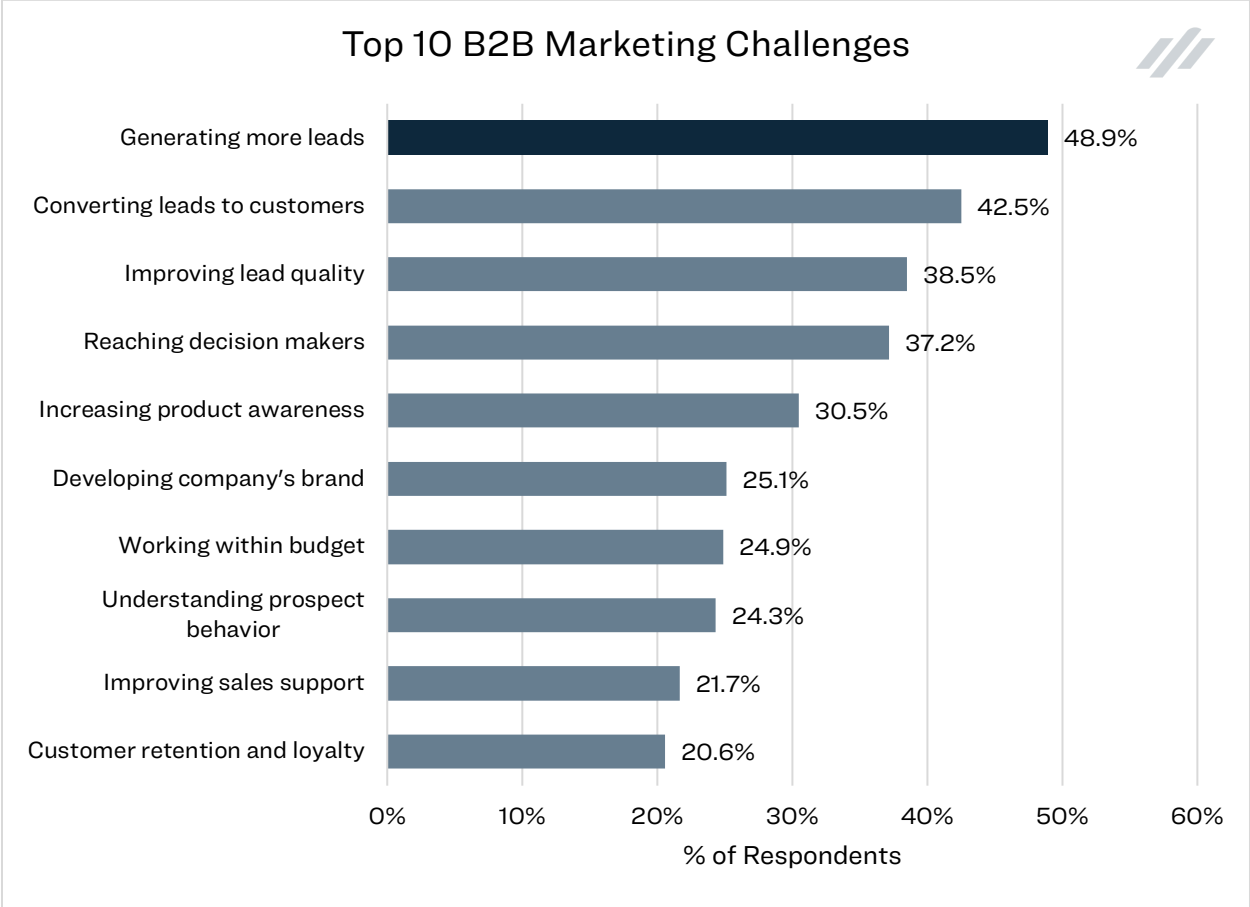
When comparing lead generation and pipeline generation, there is more alignment than with brand awareness. Inside sales and sales development are more effective at generating pipeline than leads—this suggests that inside sales and sales development generate more qualified leads. Online ads are less effective at generating qualified pipeline than leads overall.



TOP B2B MARKETING CHALLENGES

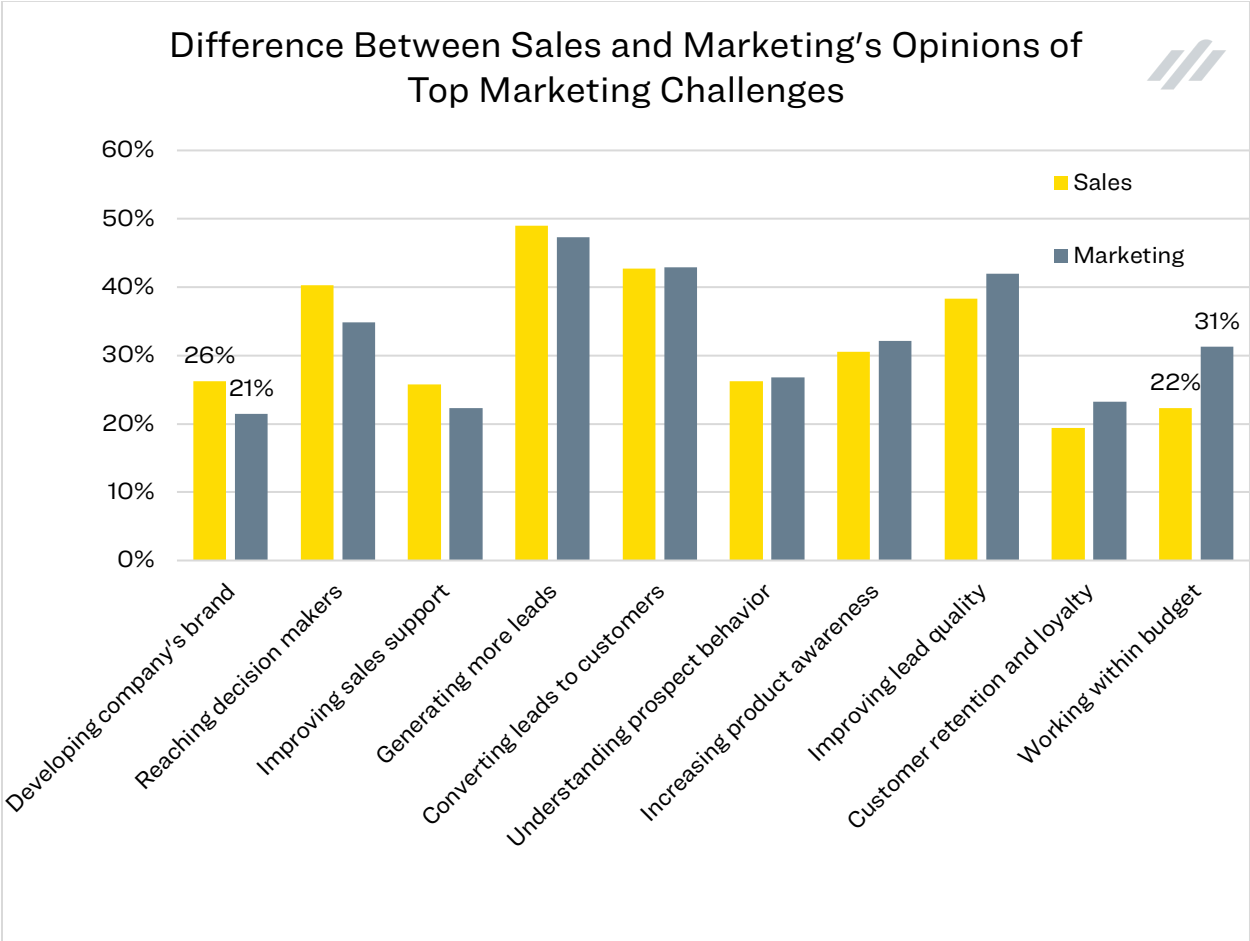
Nearly half (49%) of all sales and marketing leaders reported they were not getting enough leads.

In general, sales and marketing leaders agreed that quantity of leads is the biggest challenge in the business-to-business (B2B) marketing world followed by the need to convert those leads to customers.



Sales and marketing disagree the most on the importance of developing the company’s brand (5% higher for sales) and working within the marketing budget (9% higher for marketing)

Sales (26%) emphasized developing the company’s brand more than marketing (21%), while marketing (31%) focused on the difficulty of working within their marketing budget more than sales (22%).



Companies with larger marketing budgets struggle with not having good lead quality while companies with smaller marketing budgets struggle having good lead quantity

Companies with smaller marketing budgets cite their top problem as having an insufficient quantity of leads. Marketing departments with bigger budgets had problems of their own, however—with improving lead quality and better enabling their sales teams as the stand-out challenges.

Annual Marketing Budget	Biggest Challenge
Less than \$100,000	Generating more leads
\$100,000 to \$499,999	Generating more leads
\$500,000 to \$999,999	Converting leads into customers
\$1 to \$4.9 million	Improving lead quality
\$5 to \$9.9 million	Reaching decision makers
\$10 to \$19.9 million	Improving lead quality
\$20 to \$49.9 million	Enabling sales, improving sales support

APPENDIX

ABOUT THE RESEARCH TEAM

Ken Krogue

Ken Krogue was the Founder and President of InsideSales.com (now XANT). Ken has been intimately involved in the research performed by XANT since the first landmark speed-to-response study done with Dr. James Oldroyd while he was at MIT in 2007 and again with Harvard Business Review in 2011. Ken is a prominent thought leader in the inside sales space and second ranking person nationally in social selling strategies. Ken has been out of the research role for over a year with health concerns due to an automobile accident, but prior to that was a weekly columnist for Forbes.com and an international speaker. Ken has two new books due out.

Gabe Larsen

Gabe joined XANT with over 15 years of experience in revenue generation, from helping financial clients price and trade complex derivatives at Goldman Sachs to helping multinational organizations penetrate new markets at Accenture and Gallup. Gabe co-hosts the award-winning Sales Acceleration podcast and acts as VP of Marketing and Sales Development, where his expertise and research have helped more than 200 clients solve their biggest problems in the sales acceleration space.

Bryan Parry

Bryan Parry joined XANT in January 2016 as a Research Analyst. In this role, he is responsible for performing analysis to discover insights related to sales acceleration and the sales industry in general in order to support XANT's position of innovation. Bryan earned a bachelor of science degree in statistics from Brigham Young University.

METHODOLOGY

We performed a survey, where we asked sales and marketing professionals their opinions of how their marketing mix worked² in the last year. The following are the lead generation strategies we considered in our survey:

Marketing Method Categories			
Online	Company website	Outbound	Sales Development
	Email/electronic marketing		Inside Sales
	Search marketing	Traditional	Radio
	Blogs		Direct mail
	Online display ads		Print advertising
	Other Web 2.0		Outdoor media
	Online video		Public relations
	Rich media		TV Advertising
	Mobile Ads		Events
Facebook	Sponsorships/Associations		
Twitter	Channel		
LinkedIn	Small executive events		
Social	Google+	Virtual on-demand events	

	Pinterest		Webinars, Webcasts
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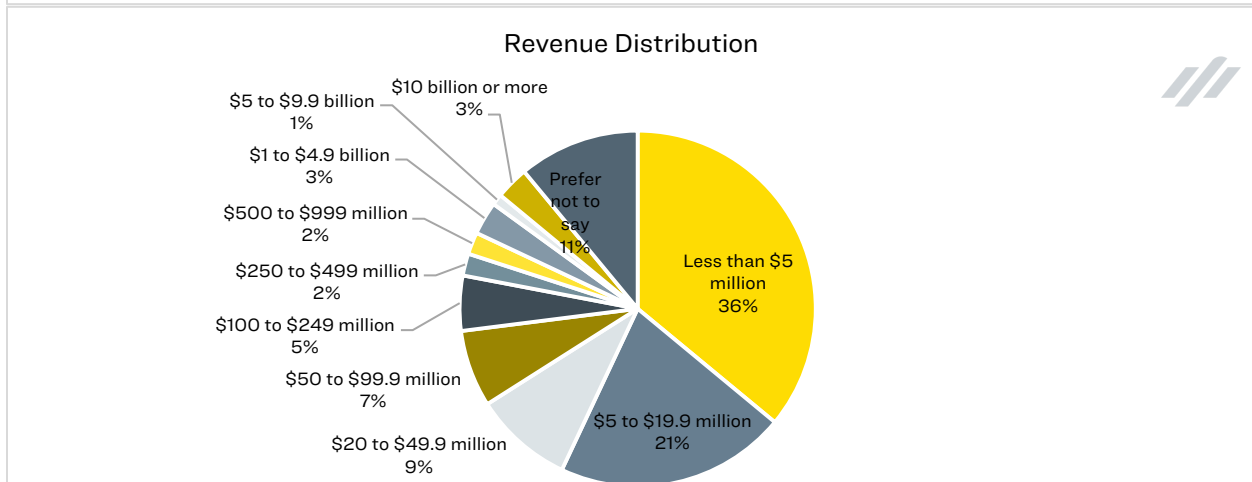
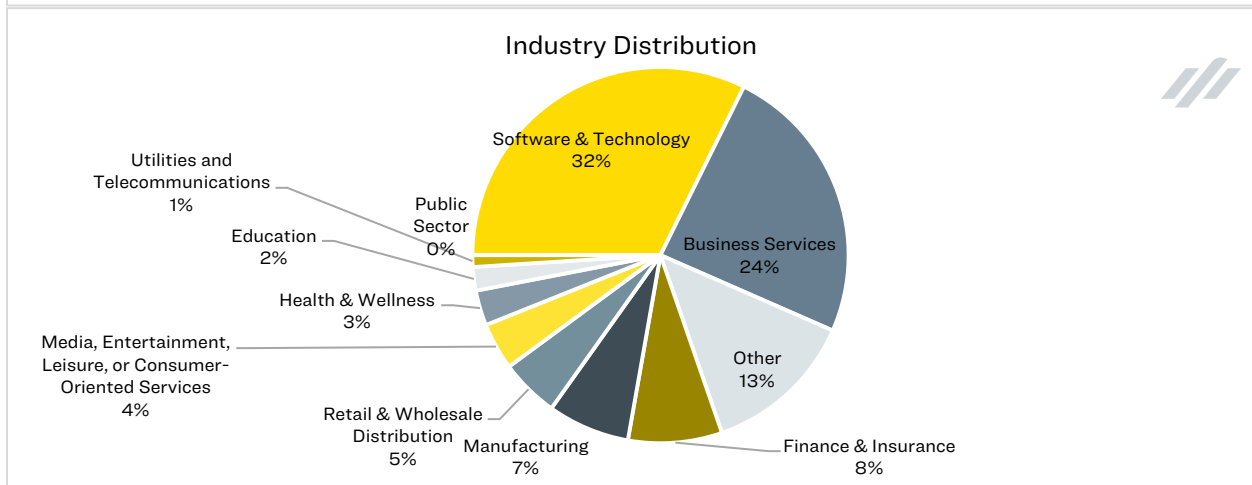
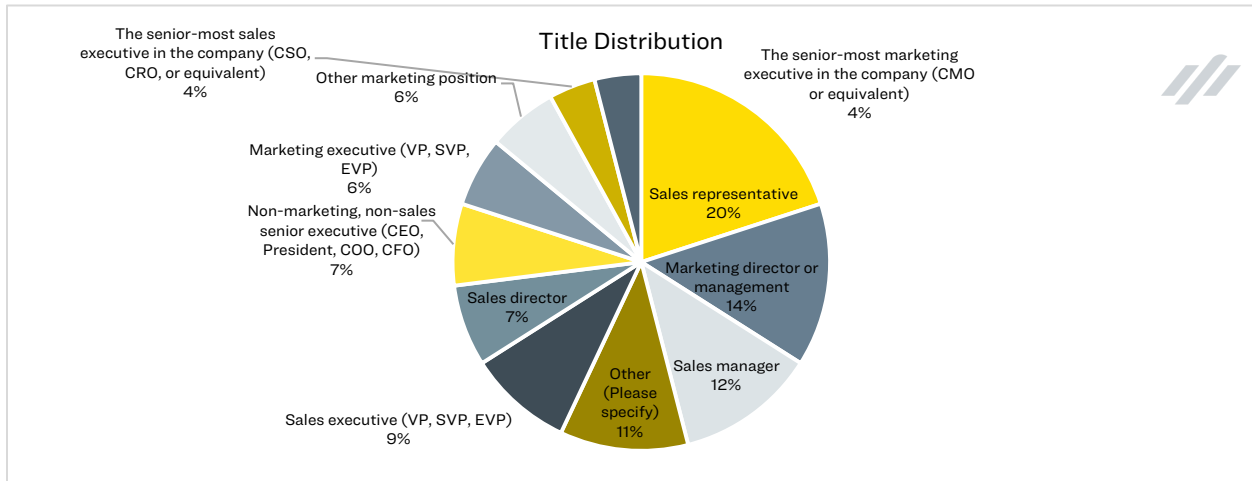
Some of these methods could fit into more than one category, but for the purposes of this study, we will group methods as they are above.

¹ Note: Whenever “effectiveness” is reported, whether of generating brand awareness, leads, or pipeline, survey respondents were given options “Ineffective”, “Not very effective”, “Somewhat effective”, and “Highly effective”. To create a simple comparison among the various lead gen methods, an index was calculated:

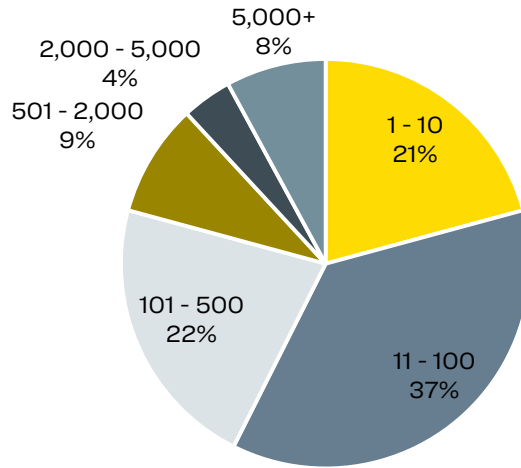
$$\begin{aligned} \text{Effectiveness Index} = & 2 * (\% \text{ of respondents who selected "Highly effective"}) \\ & + (\% \text{ of respondents who selected "Somewhat effective"}) \\ & - (\% \text{ of respondents who selected "Not very effective"}) \\ & - 2 * (\% \text{ of respondents who selected "Ineffective"}) \end{aligned}$$

This number was then adjusted to a 100 point scale in order to improve clarity of graphs and ease of interpretation.

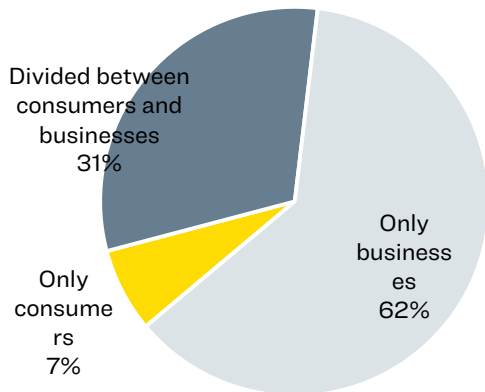
SURVEY DEMOGRAPHICS



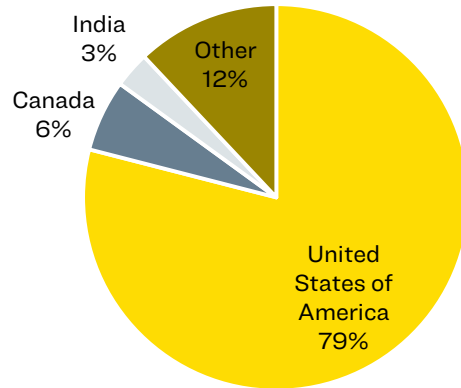
Employee Count Distribution



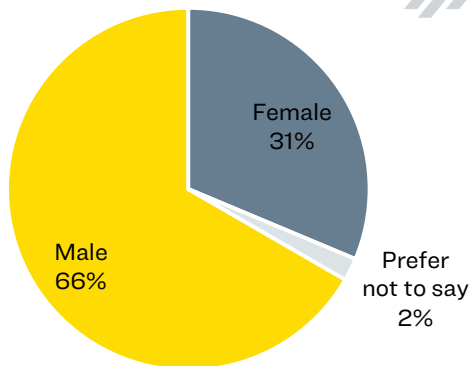
Buying Audience Distribution



Country Distribution



Gender Distribution



Age Distribution

