



## Leads for Less with Social Media

FEBRUARY 25, 2010

### Social media, blogs and search engine optimization more cost-effective for lead gen

Pull marketing tactics such as search, blog and social media generate cheaper leads than more traditional outbound efforts, according to data from inbound online marketing platform [HubSpot](#).

The “2010 State of Inbound Marketing” report indicates that spending on lead generation is 60% less among companies that devote at least one-half of their budget to inbound marketing, compared with companies spending at least one-half of lead generation dollars on outbound tactics.

The average cost per lead from inbound marketing was also significantly less.

#### Average Cost per Lead for Inbound vs. Outbound Marketing According to Companies in North America, January 2010

Outbound	\$332
Inbound	\$134

Source: HubSpot, “2010 State of Inbound Marketing,” February 16, 2010

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[www.emarketer.com](http://www.emarketer.com)

In both 2009 and 2010, companies in North America tended to rate all the inbound tactics studied as below average in cost per lead. Respondents rated direct mail most cost-effective among outbound strategies. Still, only 37% said it generated leads for less than average.

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**Cost per Lead Rating for Inbound Marketing Among Companies in North America, by Tactic, 2009 & 2010 (% of respondents)**

	Below your average	Near your average	Above your average
<b>2009</b>			
PPC (paid search/AdWords)	32%	42%	25%
SEO (organic/natural search)	48%	38%	14%
Blogs/social media	55%	34%	11%
<b>2010</b>			
PPC (paid search/AdWords)	30%	35%	35%
SEO (organic/natural search)	43%	40%	18%
Social media	63%	27%	10%
Blogs	63%	27%	9%

*Note: numbers may not add up to 100% due to rounding  
Source: HubSpot, "2010 State of Inbound Marketing," February 16, 2010*

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The gap in cost-effectiveness is leading to a gap in spending, the report said. Inbound tactics are seeing a slight increase in share of lead generation budgets, while outbound tactics are decreasing. Usage of mixed tactics such as e-mail—which can be used for both push and pull marketing—is also on the rise. And businesses rated every inbound channel more important than any outbound channel for their lead generation efforts.

HubSpot also noted that more than two-fifths of companies using various social media marketing channels had acquired a customer from those channels.

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**Companies in North America Who Have Acquired a Customer from a Social Media Site or Blog, by Customer Focus, January 2010 (% of respondents in each group)**

	B2C	B2B	Total
Company blog	57%	43%	46%
Facebook	68%	33%	44%
Twitter	51%	38%	41%
LinkedIn	26%	45%	41%

*Note: read chart as saying 41% of companies using Twitter for marketing have acquired a customer from that channel  
Source: HubSpot, "2010 State of Inbound Marketing," February 16, 2010*

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Unsurprisingly, for business-to-business firms, LinkedIn was most effective for customer acquisition. Business-to-consumer companies did better on each of the other sites, with the best results coming from Facebook, where nearly seven in 10 had found a new customer.