

**SALES LEAD
GENERATION
IS RANKED AS
THE TOP SALES
& MARKETING
CHALLENGE FOR
COMPANIES
AROUND THE
WORLD.**

Sales Lead Generation.

WHO'S DOING IT. WHO ISN'T. WHO'S SUCCESS- FUL. AND WHY.

Companies are looking for new ways to generate sales leads. And no, it's not just about filling the sales funnel. It's about improving lead quality, achieving better conversion rates and increasing measurable ROI.

How do the most successful organizations generate qualified sales leads? Why do some companies invest in lead generation while others don't? What's working? What isn't? And how do broader sales, marketing and other business challenges impact success? These are some of the questions 360 Leads™ asked – and 300+ C-levels and sales and marketing executives from across the globe gave us their answers.

95% of them are responsible for their organization's general management, sales, marketing, or both sales and marketing functions. They are companies large and small, from diverse industries and geographic locations including North America, South America, Europe, Australia, Asia and Africa.

In The Black Report™, you'll find their take, and ours, for a truly comprehensive look at global sales lead generation practices.



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Sales Lead Generation.

WHO'S DOING IT.

Lead generation is ranked as the most important sales and marketing challenge facing 58.3% of companies right now. And, in the past 12 months, 78.5% of companies have engaged in multi-channel lead generation programs, with Australian, European and African companies leading the charge (85%), followed by those in Canada and the US (76%).

Only 17.3% of them are reaching their lead generation targets.

ONLY 17.3%
OF COMPANIES
HAVE REACHED
THEIR LEAD
GENERATION
TARGETS IN
THE PAST 12
MONTHS.

Sales Lead Generation.

WHAT WORKS – AND WHAT DOESN'T.

Companies that are most successful in reaching their lead generation targets use a variety of lead generation channels. They rank the best performing in order of effectiveness as:

Outbound telemarketing – 44.7%
Email marketing – 31.7%
Digital marketing – 30.9%
Social media – 26.8%
Conferences, tradeshows and events – 21.9%

The first four channels allow a high degree of targeting - likely the reason they generate better success. Their results can be easily and efficiently measured, and campaigns can be refined to boost performance.

In direct contrast, the worst performing companies ranked their top performing lead generation channel as conferences, trade shows and events. This may indicate lack of internal knowledge/expertise about how to use some of the other more effective lead generation channels; it may also indicate a lack of the necessary resources to implement them.

Overall, respondents cited advertising, direct mail and social media as the least effective lead generation channels. This may be due to a number of important factors, such as a lack of expertise, lack of an effective strategy, poor media selection, poor quality campaign execution, insufficient investment, etc. It may also be due to the fact that, to be most successful, these channels must be integrated into a mix of tactics, where the effectiveness of each element is increased by the other.

For example, direct mail, in isolation, will not generate a high percentage response rate unless it's directed to the right target with a highly compelling selling proposition. However, combining insight-driven direct mail campaigns with expert, outbound telemarketing can be a powerful lead generation formula.



44.7%

OUTBOUND TELEMARKETING

Top sales lead generation channels for top performing companies.

31.7%

EMAIL MARKETING

30.9%

DIGITAL MARKETING

26.8%

SOCIAL MEDIA

21.9%

CONFERENCES,
TRADESHOWS AND EVENTS

WHY.

Fact: the majority of companies engaging in lead generation are not reaching their targets. So, just why is it that lead generation programs are not delivering sufficient, qualified sales leads? Survey respondents ranked the key reasons as follows:

Insufficient budget

Internal company issues impacting lead generation performance

Poor marketing channel selection

Data list quality issues

Ironically, although it's identified as the top sales and marketing challenge companies face, 57% of respondents say that insufficient budget is being invested in lead generation. Is it a surprise, then, that the next highest rated reason for poor lead generation performance was internal company issues, at 48%?

The inability to hit lead generation targets may result from companies lacking a clear lead generation strategy as part of their broader business development plan. This could stem from the lack of alignment between the sales and marketing functions, among other possible issues at play.

Does your company meet its sales lead generation targets? If not, why not? Here are the reasons respondents identified as barriers to success.

Insufficient budget invested to know how to deliver more sales leads – 57.0%

Internal company issues impacting performance – 48.3%

Poor or limited marketing channel selection – 41.2%

Data list quality issues – 36.8%

Poor sales opportunity qualification – 32.5%

Other – 10.5%



**SHOW THEM
THE MONEY:
INSUFFICIENT
BUDGETS
ARE THE
TOP REASON
FOR NOT
DELIVERING
SUFFICIENT
QUALIFIED
SALES LEADS.**



ONES TO WATCH.

In general, only 17.3% of companies reach their lead generation targets. However, certain industries have a better handle on lead generation – the ones to watch achieve their targets at a significantly higher rate.

Finance and financial services – 41.7%

Business and professional services – 23.3%

Technology – 21.4%

The least successful include:

Manufacturing – 7.7%

Healthcare and pharmaceuticals – 12.5%

Given that sales lead generation is a better-established practice in financial and professional service industries, and digital lead generation has a long standing prevalence in technology industries, the fact that these sectors are top performers in this area is understandable.

Manufacturing, healthcare and pharmaceutical industries are more recent adopters of lead generation, so there's a learning curve there. In addition, these companies may have less marketing-oriented cultures, and/or may operate in environments with rigorous regulatory and privacy requirements that limit certain types of lead generation activities.



SIZE MATTERS. REALLY.

Larger companies (100+ employees) are 1.5 times more likely to hit their lead generation targets than companies with less than 100 employees. That's not just because they're doing more of it (nearly 70% of the companies which haven't done lead generation in the past 12 months were smaller companies), but also because smaller companies are dealing with different challenges.

One of those challenges is lack of sufficient data. 70% of smaller companies don't have, or don't know if they have, enough data for lead generation activities. They may not have the in-house resources to adequately assess data needs, and source data as required.

Another issue is channel effectiveness, where smaller and larger companies report significantly different results. Larger companies, for example, rated these channels as considerably more effective than smaller companies did.

Events, conferences and trade shows – 70% more effective

Email – 72% more effective

Direct mail – 137% more effective

Print advertising – 418% more effective

Larger companies may have greater brand awareness, which drives better results from their marketing activities. They are likely to have larger budgets, too, enabling them to hire internal marketing professionals, obtain external marketing or sales lead generation agency expertise and invest more in each element of their marketing mix.

These companies typically have more human resources to plan event, conference and tradeshow participation, and follow up leads from those activities. They may also be able to invest more in, and better execute, email, direct mail and print advertising campaigns that may be cost-prohibitive for smaller businesses.

Smaller companies do come out on top in two key channels, where they rated the following channels as more effective than their larger counterparts.

Outbound telemarketing – 21% more effective

Social media – 67% more effective

Since smaller companies may not have the resources to build outbound calling teams, the people conducting their outbound telemarketing calls are often the sales people that will actually be building the customer relationship. This personal, direct-to-prospect telemarketing gives them a head start in building that relationship, leading to better end results. The downside: this limits the number of prospects smaller companies can connect with, because their sales people spend as much or more time on the phone as they do in front of sales prospects where they are most effective.

Without the larger advertising and marketing budgets typical of bigger businesses, smaller companies may be making better use of social media, which they view as the 'free' lead generation channel option – but not for long. Look for this to change radically in the next 24 months. There's no such thing as a free lunch, and social media platforms have shareholders, too. Paid social media advertising will soon be the only way to guarantee exposure to target audiences.



SIZE MATTERS. REALLY.

AT LEAST, IT DOES WHEN IT COMES TO
SALES LEAD GENERATION.

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**SALES
IS FROM
MARS.
MARKETING
IS FROM
VENUS.**

The fact that sales lead generation is their top marketing challenge is about all that sales and marketing professionals can agree on. After that, they're worlds apart.

To start with, marketing professionals say their lead generation activities are 35% more successful than sales professionals think they are. And when it comes to the top reason why lead generation campaigns don't perform – well, they can't agree on that, either.

According to sales – poor marketing channel selection
According to marketing – data list quality issues

Top lead generation channels are another bone of contention. Sales selects outbound telemarketing as their top channel (57.1% higher than marketing), where marketing selects digital as theirs (65.6% higher than sales). And it doesn't stop there.

Sales identifies email as their other most successful lead generation channel (54.5% more than marketing). Marketers identify their other most successful channel as conferences, trades shows and events (78.7% higher than sales) and direct mail (268% higher than sales).

When it comes to lead nurturing, sales reports that leads are not contacted 5.7% of the time – marketing claims that leads are not contacted 17.3% of the time.

Interestingly, both sales and marketing almost equally rank 'internal company issues' as the biggest factor impacting lead generation campaign performance (46.4% and 54.5% respectively). Could they be referring to the difference in viewpoints between their departments?

MARKETING PROFESSIONALS SAY THEIR LEAD GENERATION ACTIVITIES ARE 35% MORE SUCCESSFUL THAN SALES PROFESSIONALS THINK THEY ARE.



NATURE VS. NURTURE.

COMMUNICATING WITH SALES PROSPECTS THREE OR MORE TIMES
DOUBLES RESULTS.

Leaving new leads to develop into bona fide sales prospects on their own is a great way to lose them. The facts speak for themselves – lead nurturing is key to sales lead generation program performance.

Companies who communicate 3 or more times with the leads they generate are more than twice (2.4 times) as effective at achieving their targets.

That means results can be doubled by communicating with leads three or more times. Bottom line: if a lead nurturing strategy isn't a key component of an overall sales lead generation program, companies are leaving money on the table.

MARCO. POLO!

It's hard to go after sales leads if you don't know where to look. Yet, only 42.2% of respondents believe their companies actually have sufficient data to fuel sales lead generation, and 19.1% aren't sure. 38.7% say that lack of sufficient data is a key factor in their companies' poor lead generation performance.

Companies with larger sales forces reported less of an issue with data volume and quality – not surprising, since sales people are typically tasked with providing a certain amount of prospect data to pursue.

The key take away is that the availability of high quality data is pivotal to lead generation program success, and investing in continuous data acquisition is a strategic imperative.

Do you believe you have sufficient data to fuel your lead generation activities?

42.2%
YES

38.7%
NO

19.1%
DON'T KNOW



**38.7% OF
COMPANIES SAY
INSUFFICIENT
DATA OR POOR
DATA QUALITY
IS NEGATIVELY
IMPACTING LEAD
GENERATION
PERFORMANCE.**

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MORE IS MORE.

More sales people equals a better chance of meeting sales lead generation targets. A 62% better chance, to be exact.

The survey also revealed that 54.3% of companies with more than 25 sales reps have sufficient data to fuel their lead generation activities. Only 38.2% of companies with less than 25 sales reps can say the same.

As good as that sounds, the size of a company's sales force also impacts the top sales and marketing challenges it faces. While generating more sales leads is the top overall sales and marketing challenge facing all companies, those with more sales people cite this less frequently than companies with fewer sales people:

20.5% of companies with more than 25 sales people identify improving ROI from sales and marketing efforts as their top challenge (1.21 times more frequently than companies with a smaller sales force). They identify sales lead generation as their second most important challenge.

In contrast, 22.9% of companies with less than 25 sales reps identify generating more sales leads as their top challenge (1.23 times more frequently than companies with more than 25 sales reps), with improving ROI from sales and marketing efforts as their second most important challenge.

Companies with larger sales forces need to generate sufficient returns to justify the cost of that infrastructure. As a result, they are more focused on improving ROI. Companies with a smaller sales force struggle to move far enough and fast enough to generate the volume of leads they need to pursue, so this is consistently their most important challenge.

COMPANIES WITH OVER 25 SALES REPS HAVE A 62% BETTER CHANCE OF REACHING THEIR LEAD GENERATION TARGETS.

WHAT'S THE STORY?

72.8% of companies with the best lead generation results have a well-defined, clearly articulated value proposition. They know their story, and how to tell it.

Articulating the difference a company can make for its customers is vital. Expressing it in a way that's clear, simple and compelling is the challenge, and many companies don't know how to do that well. If this is something a company is struggling with, it's a problem that urgently needs to be solved.

In short, a company can have the best performing lead generation program in the world, but if they can't tell prospects why they matter, they won't matter at all.

THINKING GLOBAL. ACTING LOCAL.

21.7%
AUSTRALIA

19.0%
US

17.6%
CANADA

Global performance in achieving sales
lead generation targets.

13.7%
EUROPE

Sales lead generation is a global business pursuit, but local approaches differ - sometimes in surprising ways.

WHO DOES IT MOST?

About 85% of companies in Australia, Europe and Africa have been engaged in lead generation activities in the last 12 months.

In Canada and the United States, 76% of companies have engaged in lead generation activities in the last 12 months.

WHO DOES IT BEST?

Australian companies outperform the rest of the world and rank first at achieving their lead generation targets at 21.7% versus the global average of 17.3%.

The US outperforms Canada by a narrow margin of 1.4% in terms of achieving their lead generation targets.

European companies were ranked last in hitting their lead generation targets.

Australia's success likely reflects a number of key factors:

- Australian companies do more sales lead generation than the US and Canada.
- 43.5% of Australian companies believe they have sufficient data for their lead generation activities, compared to only 31% of European countries.
- Australian businesses have had to look at alternatives to email marketing for more than a decade, so may be more resourceful, and more experienced in using a variety of other lead generation channels. Social media may be an example of this – Australian companies ranked social media equally with outbound telemarketing as their top performing lead generation channel.
- Geography may isolate Australia from a certain amount of market clutter, (unlike European or North American markets, for example), enabling them to more effectively connect with key audiences.
- Australia's results, in comparison to Europe, may to some degree reflect both regions' recent economic performance. Australia enjoyed a GDP growth rate of 3.6% in 2012 and 2.4% in 2013, while the European market struggled to regain lost ground with annual GDP growth rates of -0.4% in 2012 and 0.1 % in 2013.

CHANNELS OF CHOICE.

Outbound telemarketing was a consistent top performing lead generation channel in all countries.

Email marketing was ranked the 3rd most effective lead generation channel in the US, Canada and Europe - in Australia it ranked 5th.

Anti-spam legislation was passed in Australia in 2003, so email has not been a primary means of lead generation in that country for years. Canada's anti-spam legislation was recently implemented (July 2014), the effectiveness of email as a lead generation channel can be expected to significantly decrease in Canada in the years ahead.

SHOW THEM THE MONEY.

Companies from all countries identified insufficient budgets as a top reason for not delivering sufficient qualified sales leads. This reason ranked #1 in Australia, Africa and the US, #2 in Europe and #3 in Canada.

THE LAST WORD.

Sales lead generation is on business leaders' minds for a reason. The buying process has changed dramatically over the past decade. Prospects are well informed, issue-savvy and able to access as much information as they want or need. They don't think they need sales people anymore.

Smart companies know this. They're investing in ongoing lead generation campaigns and getting in front of their prospects sooner. They're using multiple touch points and relevant content. As a result, they have a better chance of influencing the purchase decision – and it's paying off.

But that's only part of the story. Though 78.5% of companies surveyed have active lead generation programs, only 17.3% of them are successful in reaching their targets. These companies need to retool their lead generation programs to get better results, and that means:

- Examining channel choices, measuring ROI, eliminating what isn't working, and doing more of what is.
- Combining a mix of tactics anchored by relevant offers to build effectiveness across all channels.
- Matching budget priorities to growth objectives to ensure lead generation is sufficiently resourced.
- Bringing sales, marketing and operations to the table to commit to a shared focus and accountability for topline growth.
- Getting outside lead generation expertise to address specific needs:
 - If data acquisition is an issue, an expert can provide specific, targeted data matched to an ideal customer profile (industry, business size, geographic location, job title etc.).
 - If lead generation program strategy and planning is weak, an expert can create an efficient, systemized approach to lead sourcing, nurturing, qualifying and sales appointment booking.
 - If website results are limited, a digital lead generation expert can improve website metrics and develop digital advertising campaigns and optimized landing pages.
 - If outbound telemarketing isn't getting results, a lead generation expert can get sales reps off the phone and in front of the right people.
 - If there's a great story to tell, but it isn't being told, a lead generation company with integrated marketing and communications expertise can help craft a compelling brand message and awareness-building campaigns.

For companies of every size, effective, ongoing sales lead generation is the foundation for sustained topline business growth. If it's not on the radar as a key strategic priority, it should be.

A survey was conducted by 360 Leads® from June 16 to August 18, 2014 via the Internet with C-level managers, sales executives and marketing leaders from across the globe. 325 surveys were completed with respondents answering 18 questions and representing six continents. An incentive was provided for participation in the survey. A synopsis of the survey is published as The Black Report™.

360 Leads® is a sales lead generation company. We are purpose-built to help B2B companies acquire new customers, deepen existing relationships and optimize sales team performance.

Our clients come from around the world, from diverse business sectors and compete in domestic and export markets. We support their sales growth from our global headquarters in Toronto, Canada and our operating hub in Phoenix, USA. 360 Leads provides them with thousands of qualified sales meetings and supports their efforts to secure millions in new business.

360 Leads is a 5th business® company, an integrated marketing strategy, communications and sales organization.

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