Lead Docket: The State of Legal Marketing

WHITE PAPER
Is your marketing budget higher or lower than your competitors'? Are you focusing on the right channels? Is your conversion rate acceptable?

You need up-to-the-minute information to be able to chart your path forward in uncertain waters. Learn how your firm compares to over 150 peer organizations, with this first-of-its-kind law firm marketing report.

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Introduction

The legal marketing environment can change rapidly. As new opportunities open up, other channels grow stale. Rapid new developments in technology and the growth of alternative business structures (ABS) in law are reshaping client expectations and financial possibilities. Meanwhile, the economy in general is in flux, leading to uncertainty about future investments.

Law firms require up-to-the-minute information to make wise marketing decisions. Cultivating a strong marketing plan will help law firms weather any storms and feed growth even in unsteady times.

This white paper aims to set out the current state of legal marketing, establish benchmarks for key segments of the industry, and help firms stay ahead of their competitors.
Our research addresses these questions:

How much are law firms spending on marketing?
What marketing channels are they using?
Where do they see the most success?
What KPIs are they following?
How many times do they follow up on leads?

We also track how legal professionals are feeling about law firm marketing decisions and explore some of the biggest remaining challenges for legal intake. We find that lawyers remain confident about their marketing expenses—particularly those who employ lead-tracking software. As you’ll learn, 76% of the legal professionals polled feel confident that their advertisements are effective.

While 2021 saw rapid growth in the legal industry, with demand outstripping supply and salaries rising, the roads ahead could be more rocky. As other industries slow, the legal market remains strong—but larger macroeconomic trends are likely to shape firms’ financial success in the long run.

Whether you’re interested in expanding your practice, improving your marketing budget allocation, or measuring your results against peer organizations, the research presented in this white paper can support and guide your decisions.

Demographics

Lead Docket’s research team collected data from 169 professionals working in law firm marketing and intake. Respondents came from a combination of Lead Docket’s existing customer base as well as non-customers reached via promotion of the study.
Most of the respondents came from small to midsize organizations. While not all respondents chose to indicate their firm’s size by total employee count, nearly half of respondents came from organizations in the 11-to-50 employee range.

This is likely indicative of the types of organizations conducting self-run marketing efforts. This may also reflect Lead Docket’s customer footprint.

In addition to total employee count, respondents also indicated the number of attorneys working for their firm. The results were similar, with small to midsize organizations of 1-25 attorneys making up the bulk of participants.
In our largest segments, there was—unsurprisingly—significant correlation between the number of attorneys and the number of total employees. 83% of firms with 1 to 2 employees also had 1-10 total employees, while 75% of firms with 3 to 10 employees had 11-50 staff members.

**Primary Practice Area**

The most common practice area for respondents was Personal Injury law, with nearly 45% of respondents practicing in that area. Worker’s compensation, employment, and insurance followed with 18% of respondents practicing in this area, with Tort Law closely behind with 10%. All of the top practice areas rely heavily on advertising and tracking leads. It’s worth noting that firms were allowed to choose up to four practice areas, so our respondents have multiple practice areas represented here.

**KPIs and Benchmarks**

Tracking intake activity and results means nothing without context. In this section, we’ve identified common Key Performance Indicators (KPIs) that are often tracked to measure the health of an intake program. These serve as a foundation for understanding any intake program, regardless of scale or practice area. If your firm isn’t yet tracking intake KPIs, establishing these as a baseline is a great first step towards optimizing your efforts and identifying areas for improvement.

For firms already tracking these KPIs, benchmarks from our respondents will help provide insight into how peer organizations are performing across these metrics.
1. Marketing Spend by Firm Size

<table>
<thead>
<tr>
<th>Employee Count</th>
<th>Average Spend</th>
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<tbody>
<tr>
<td>1 - 10</td>
<td>228153.92</td>
</tr>
<tr>
<td>11 - 50</td>
<td>496078.95</td>
</tr>
<tr>
<td>51 - 100</td>
<td>992250.19</td>
</tr>
</tbody>
</table>

Here we can see marketing spend broken down by firm size. For firms with 1 to 10 employees, we see an average spend of $228,154 annually. Firms of 11 to 50 employees spent an average of $496,078, and lastly firms with 51 to 100 employees spent $992,250 on average.

2. Most Popular Marketing Channels

Digital marketing has grown dramatically in the last decade. Just between 2021 and 2022, digital marketing budgets grew by 16.2% on average, and the global market is projected to reach $786.2 billion globally by 2026.

The trend has permeated the world of law firm marketing, too. Our respondents ranked Social Media, Google, and Web Advertising as their first, third, and fifth most popular advertising channels, respectively.

Interestingly, one channel bucks the digitization trend: referrals. Unlike digital advertising, which thrives on data and transparency, referrals are based on interpersonal connections and opaque arrangements between firms. However, they’re a powerful source of new clients when the right referral arrangements can be made.
3. Use of Lead Tracking Software

Despite the prevalence of digital advertising and performance tracking across industries like online retail, software-as-a-service, and even brick-and-mortar businesses, tracking the performance of legal marketing efforts is still a burgeoning field.

Many firms conduct advertising through various channels without tracking their performance or optimizing their spend. This is likely due to firms not having a lead tracking system in place to gather and report on this data. Because of the demographics of our study participants, we’re able to offer deeper insight into performance metrics. However, if your firm doesn’t have a lead tracking system in place, consider that step one to establish your own baseline of performance.

The firms surveyed in our study overwhelmingly use Lead Tracking software to understand their performance metrics. However, a number of other methods of tracking performance are used throughout the legal industry.

Traditionally, tracking has been done manually by spreadsheets or other forms of data entry. While flexible and low cost, these methods require a lot of time from intake staff and ultimately aren’t scalable.

CRM software can also be used, but must be adapted to the needs of your intake team, rather than being designed for that purpose from the get-go.
4. Most Successful Advertising Channels

Among advertising channels used by our respondents, Google advertising was considered the most successful form of advertising for law firms, with 33% selecting it as their most successful channel.

Again, mirroring the staying power of personal relationships, referrals ranked second at 23%, and Television ads ranked third at 18%.

5. Most Important KPIs

What is the single most important KPI (key performance indicator) that you use to measure the overall success of your firm?

Understanding your firm’s marketing success rate is a futile effort without defining what success means to your organization. The top indicator of success...
for our respondents was Average Fee/Revenue per Case, indicating a desire to find more valuable leads and balance attorney workload with firm revenue. This makes sense, since it’s most efficient to bring in the highest quality leads rather than a large number of low-value leads.

However, many organizations clearly don’t have a defined success criteria in mind. Ranking second was “Not Sure”, which likely means that intake staff haven’t been given clear direction from their leadership teams. These staff members likely try to sign all clients that contact the firm, rather than focusing on a specific high-value criteria. This is an opportunity for improvement among the industry, as more firms adopt lead tracking and gain insight into their performance metrics.

Average Cost per Case indicates that teams work within fixed budgets for marketing and advertising, and are looking to stretch those budgets to reach as many leads as possible. Interestingly, ROI was fairly low on the list—likely because firms haven’t adopted a holistic view of intake success, similar to the “Not Sure” answers.

How does your firm measure the success of marketing efforts?

Total leads remain the most popular measurement for marketing efforts. Fewer firms are connecting the dots between their marketing efforts and total revenue, the average cost per case, conversion rate, cost per lead, and ROI.
6. Conversion Rate - Leads Converted to Clients

Not every case will be one that your firm wants to take on. Likewise, your firm won’t be able to sign to representation all of the cases that you decide to pursue. The rate at which your firm is able to take a lead (or potential case) and convert that into a client is what’s considered your Conversion Rate.

But what’s a good goal for your intake staff to strive for? Our respondents indicated that the large majority of teams achieved conversion rates between 10-40%.

This number perhaps also reflects the competitive nature of personal injury law firm marketing, in which leads are likely to contact more than one firm about their potential case.

7. Follow Up Attempts

<table>
<thead>
<tr>
<th>How many times does your firm attempt to contact a prospective lead before giving up?</th>
<th>Average</th>
<th>Standard Deviation</th>
</tr>
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<tr>
<td></td>
<td>5.85</td>
<td>4.36</td>
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</table>

Signing new clients isn’t always easy. Oftentimes, it requires diligence and follow-up to get the client to sign with your firm. People have busy schedules and other obligations, especially if they’re dealing with legal issues.

So, how much is too much when it comes to attempts to get in touch with your leads? Our respondents indicated that they attempt on average nearly 6 attempts to contact a prospective client.
68% of firms make between ~1 and 10 attempts at contacting a lead, and 95% attempt fewer than 15 times. With those numbers in mind, it’s advisable to stay within those ranges in order to balance persistence with a positive client experience, so your leads don’t feel dogged and regret contacting you.

**Sentiment**

In addition to tracking demographics and KPIs, we also asked our respondents to indicate how they feel about their marketing efforts. It’s important to set ambitious yet achievable goals, and in general our respondents felt positively about their marketing efforts.

**1. Efficiency of Marketing Budget**

We are using our marketing budget efficiently

![Chart showing sentiment](chart)

Somewhat agree 38%

Strongly agree 27%

Strongly disagree

Somewhat disagree

Neither agree nor disagree

Somewhat agree

Strongly agree

65% of all respondents either Somewhat Agree or Strongly Agree with the statement that they are using their marketing budget efficiently.

*Interestingly, firms that use Lead Tracking software had far less ambiguity about the efficiency of their marketing budget. Those firms reported 72% agreement, and only 12% answered “Neither Agree nor Disagree”. However, firms without marketing software were much less confident. They reported 52% agreement, but also 39% answered “Neither Agree nor Disagree”—a significant increase.*

Lead Tracking software clearly helps teams understand and gain confidence in their marketing budget allocation.
2. Effectiveness of Advertisements

Our advertisements are effective at generating new leads

![Bar chart]

A full 76% of respondents felt that their advertisements were effective at generating new leads.

3. Marketing Campaign Adjustments

We regularly measure our marketing campaigns and make adjustments as needed

![Bar chart]

The ability to adapt to changing audiences, communication methods, and advertising technologies is critical to ongoing success. However, not all firms have implemented a culture of continuous improvement in their marketing programs.

Among all respondents, 70% agreed that they regularly measure and adjust their marketing campaigns. However, significant differences between firms with and without lead tracking software were observed.

**Firms with lead tracking software are more likely to regularly measure and adjust marketing campaigns.** They stated that they “Strongly Disagree” with this statement 13% of the time, compared to just 3% of firms with lead tracking software. Without data about marketing and intake performance, it is understandably difficult to make adjustments, likely explaining the decreased confidence among firms without a lead tracking system in place.
4. Biggest Problem Faced During Intake

Firms face a variety of headwinds during the intake process, from budget constraints to competition and more. Interestingly, the most commonly indicated “Biggest Problem” was actually the leads themselves. Why might that be?

Leads for personal injury firms are people like you and I, with not only busy lives but also a recent injury. As a result, they may take days to reply to communications, struggle to find time to discuss their case, or make other understandable human errors. This is why a prescribed follow-up cadence, communications tracking, and lead management system is so critical—it helps take human error out of dealing with human beings.

"But leads aren’t the only issue that firms face. Competition looms large as clients shop around for representation. Cost management is critical to keep things in budget. The ability to know what’s going on with your potential clients and to track their conversion also were commonly mentioned. If you’re experiencing these problems, you’re certainly not alone."
Recommendations

Our survey points to a number of recommendations for firms seeking to improve their marketing efforts.

Use lead tracking software

Firms are investing heavily in advertising—but they need to make that investment count. If they fail to follow up with potential leads, they are flushing their marketing budget down the drain.

The studies respondents, most of whom use lead tracking software, followed up with leads an average of 6 times. This kind of structured follow-through is much easier with lead tracking software, using automated messages and guiding intake professionals through the process.

Lead tracking software also helps firms measure the effects of their marketing efforts. That’s likely why our study showed that firms with lead tracking software showed greater confidence in their marketing expenses, and expressed that they were more likely to measure marketing success and make beneficial changes.

Invest in digital marketing—but don’t forget referrals

As in other industries, law firms are investing heavily in digital marketing. They continue to feel confident about that investment—a full third of respondents report Google as their most successful advertising channel. Clearly, digital marketing is a powerful marketing tool for law firms from all practice areas.

However, referrals also remain a powerful source of business. Nearly a quarter of respondents cited it as their most successful channel. As you invest digitally, also make sure you provide clients and colleagues the care and attention that leads to increased referrals.
Clarify and expand marketing KPIs

Even in a more tech-savvy demographic that is already carefully tracking leads, many respondents didn’t know which KPIs their firm found important.

Firms should determine which performance metrics are most important to them, and do more to spread awareness about them, ensuring that all members are pulling together to reach their goals. Additionally, make sure that KPI performance is evaluated and goal setting is revisited periodically. A cadence of quarterly or bi-annual reviews allows for regular adjustments to marketing and intake strategy, without overcompensating for short-term deviations. However, even an annual cadence will likely put your firm ahead of your competition.

There is also evidence that some law firms aren’t taking full advantage of the data their software tracks. When firms track outcomes throughout the full case cycle, they can better understand the real ROI of marketing spend. Perhaps some channels and campaigns are generating ample new clients—but those matters aren’t as financially lucrative as clients from other channels.

Link your lead tracking software to your full case management platform, so you can analyze this information with greater ease.

Request a Lead Docket Demo