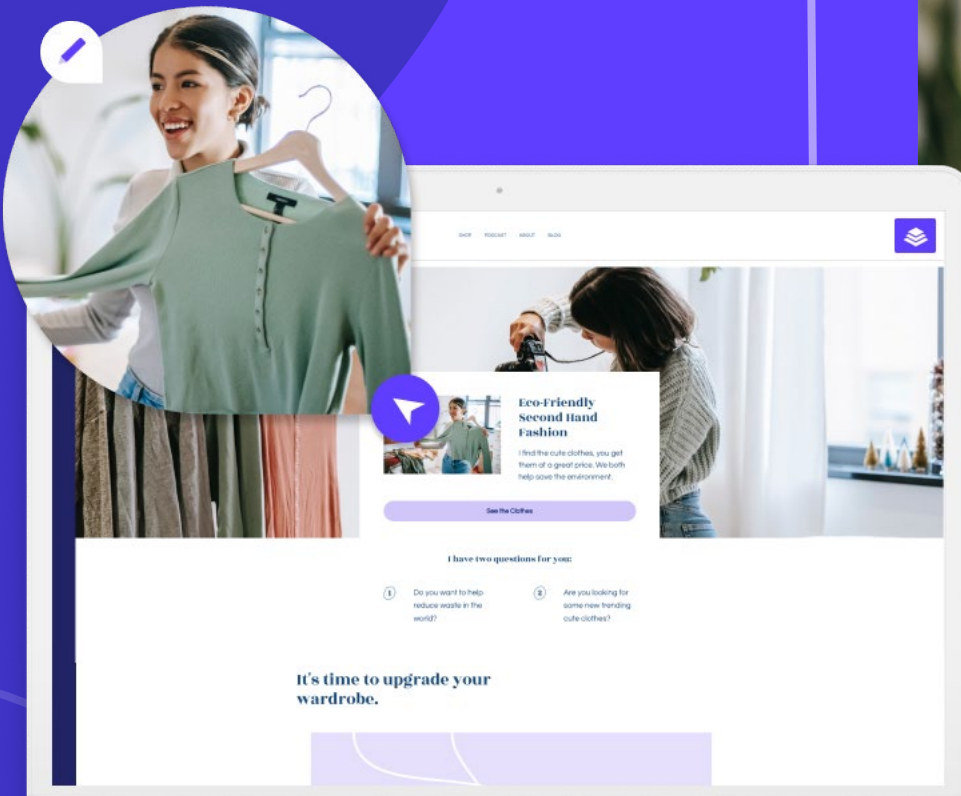


State of the Entrepreneur

An in-depth analysis of over 400 small businesses



Why we created this report

The most successful entrepreneurs don't just look at their own businesses. They also keep their eyes on what their peers are doing to continue to learn and grow.

Here at Leadpages, we're all about helping you gain access to the tools, information, and data you need to be successful—which is why we've put together this report. We've collected data from over 400 small businesses across dozens of industries and countries to create the State of the Entrepreneur.

Discover what digital marketing strategies other businesses are employing, which areas they're investing most in, and what challenges they're currently facing. Use this information to guide your own digital marketing strategies and maximize your results.

We'll also provide our own take on the data and leave you with a few learnings to consider moving forward.

So, let's get started.

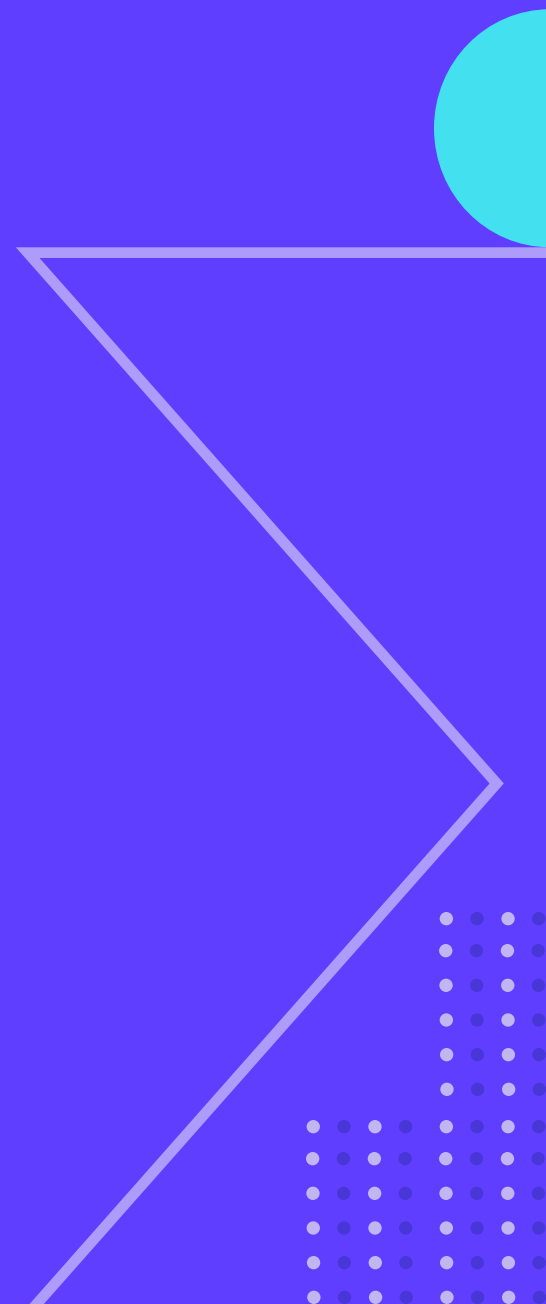




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Web traffic

A perfectly optimized website or landing page is useless if no one sees it, which is why digital marketing begins with traffic generation.

To start, let's see where most online businesses get their web traffic from →

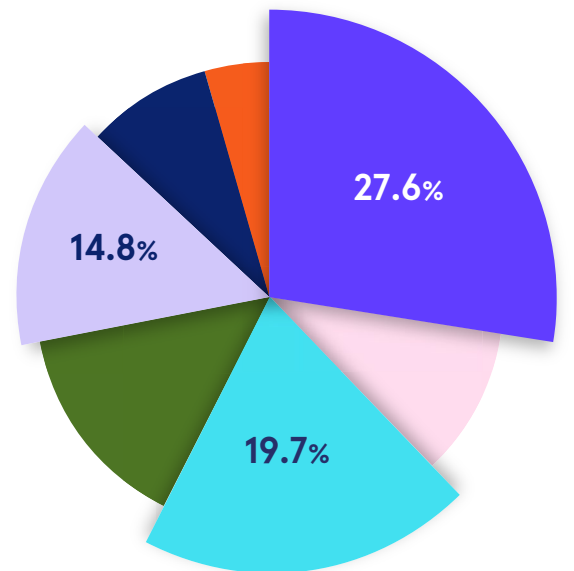
It's important to note that **the top three drivers of web traffic are non-paid channels. Organic search, organic social, and email marketing** rank one, two, and three respectively, showing that the amount of money you spend on advertising doesn't always dictate how much traffic you receive.

The results also highlight just how important it is to focus on these strategies early on. It takes time to improve your search rankings, build a social media following, and grow your email list. It's tough to spend so much energy on these tactics and not see immediate results. But as you can see, if you're patient and stick with it your early investment will pay dividends later on.

This isn't to say that there isn't a place for **paid traffic**. For example, paid ads are critical for ecommerce businesses. However, for most other industries, once your online presence is established you'll likely find this strategy isn't the primary driver of traffic to your website and landing pages.

FIGURE 01

Where does most of your web traffic come from?



MAIN TAKEAWAY

Non-paid channels might require more time and work, but when done right they'll likely be the biggest drivers of traffic for your business.

WEB TRAFFIC CONT.

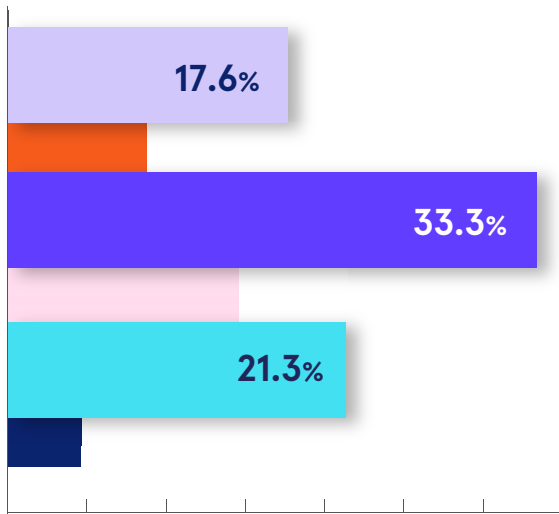


FIGURE 02

Which digital marketing strategy are you currently investing the most in?



Next, let's look at what strategies entrepreneurs are investing in (chart above).

■ Leading the way in this category is **social media**, with a third of businesses investing in this channel more than any other. Clearly, a large subsection of entrepreneurs see the value in this channel and make it their priority. Just be sure you're investing in the right channels. Do some research to determine what platforms your audience spends time on so you get the most out of your time and money.

■ **Email marketing** comes in second in this category, and for good reason. Growing your email list is tough work, but email traffic has been shown to convert at a very high rate compared to other channels. So, the investment is warranted.

■ **Paid advertising** comes in third, proving that while important it's not the be-all and end-all of digital marketing. It's possible to thrive even if you don't have a large advertising budget.

It's interesting to note that **while organic search drives the most traffic, only 8.7% list search engine optimization (SEO) as the strategy they invest in most**. There could be an opportunity for businesses to devote more of their marketing budget to this strategy to maximize their search traffic.

MAIN TAKEAWAY

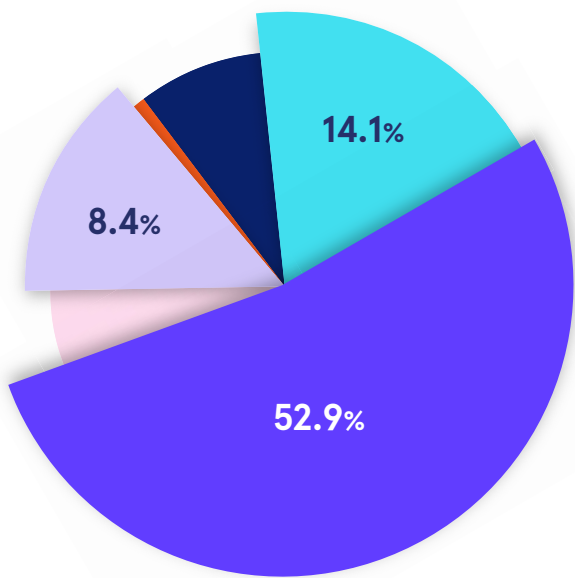
Social media and email marketing are the most popular channels to invest in. But with organic search driving the most traffic don't overlook SEO.

Lead generation

Lead generation is critical to building both new and existing businesses. Here’s how entrepreneurs are handling this area of their business.

FIGURE 03

What’s the primary way you generate leads?



- Free Consultations
- Lead magnets
- Free trials
- Webinars
- Referrals
- Other

WHY LEAD MAGNETS?

Over half of the businesses we surveyed report that most of their leads come from lead magnets. So, why are they so effective? It’s likely because they:

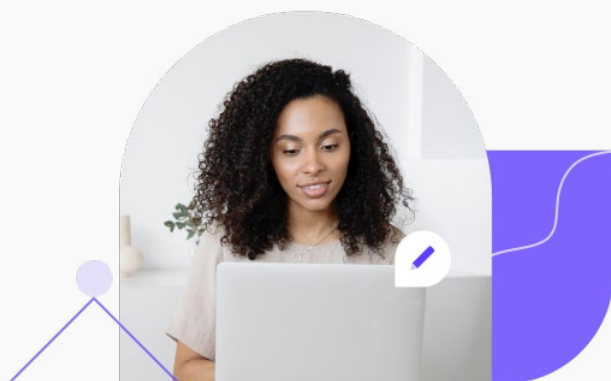
- Are inexpensive and easy to produce.
- Can be automated.
- Provide value.

Whether you’re just starting out, or have been in business for many years, **it’s clear that lead magnets are worth investing in.**

For service-based businesses, the data shows that **free consultations** are also an effective way to generate leads. While they can’t be automated like lead magnets, they do give you the opportunity to build a relationship with prospects, which is critical to earning their business.

If you don’t have time to meet one-on-one with all your prospects, **webinars** are another option. Besides being a great way to demonstrate your knowledge, they allow you to reach a larger audience, making them easier to scale.

How to promote a lead magnet



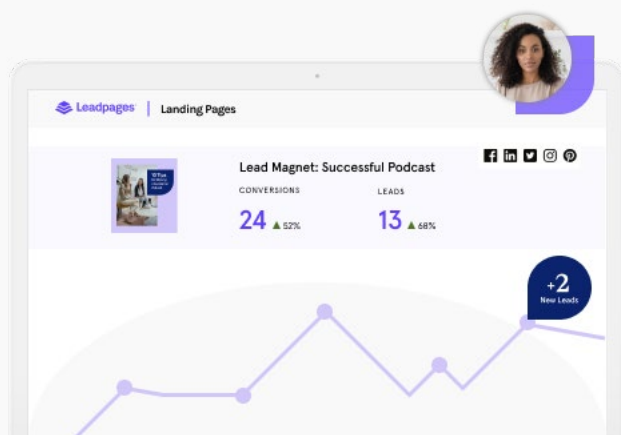
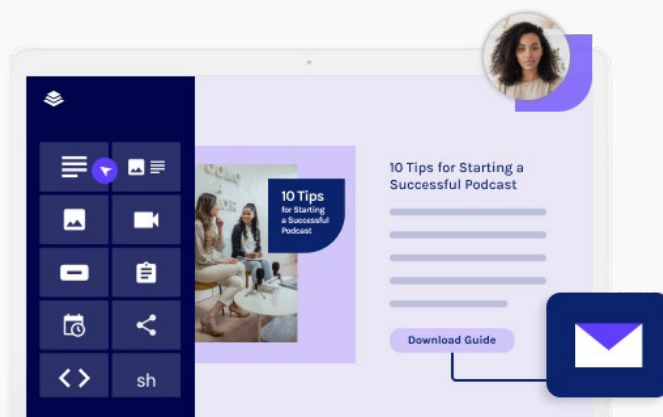
STEP 1

Create a valuable lead magnet that's tailored to your audience. This could be a checklist, ebook, video course, or any other kind of content.

STEP 2 & 3

[Use Leadpages' Drag & Drop Builder](#) to create a landing page for your lead magnet.

Integrate your landing page with your email marketing platform to allow you to deliver your lead magnet to your audience.



STEP 4

Drive traffic to your landing page through social media, email marketing, or paid ads.

◆ LEAD GENERATION CONT.

When it comes to ROI, we see the same three strategies (lead magnets, free consultations, and webinars) leading the way.

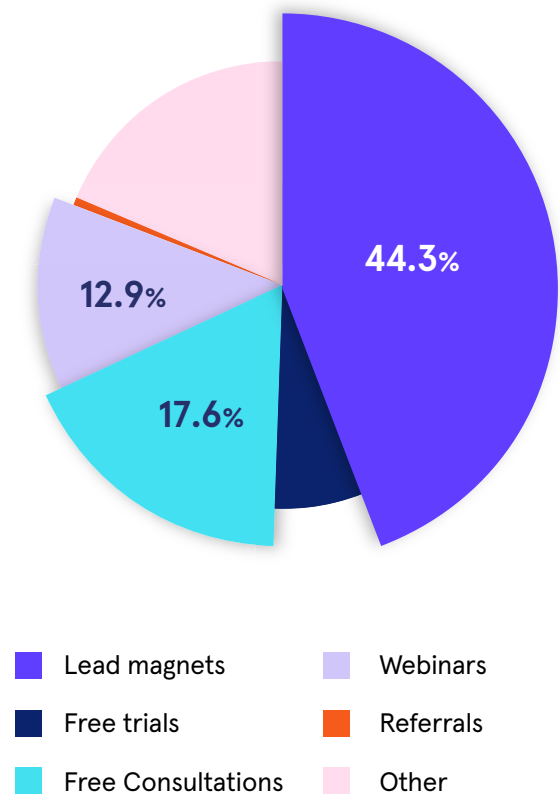
■ **Lead magnets** are still ahead by a very large margin, showing that not only are they the best way to grow your leads, but they're also a cost-effective and profitable way to do so.

MAIN TAKEAWAY

Lead magnets are both an affordable and effective way to generate leads. If you're a new business looking for leads this strategy is the best place to start.

FIGURE 04

What lead generation method has the best ROI for your business?



◆ LEAD GENERATION CONT.

If you want to maximize your leads you'll need more than one lead magnet or landing page. It appears most entrepreneurs agree with this statement, with roughly three-quarters of those surveyed indicating they currently have two or more landing pages (21% have more than ten!).

■ Simply put, the more landing pages you use the more opportunities you'll have to collect leads. So, create a few different offers and monitor the results to see which ones perform best. Use your findings to continue building new landing pages and eventually you'll have a collection of pages that consistently generate leads for your business.

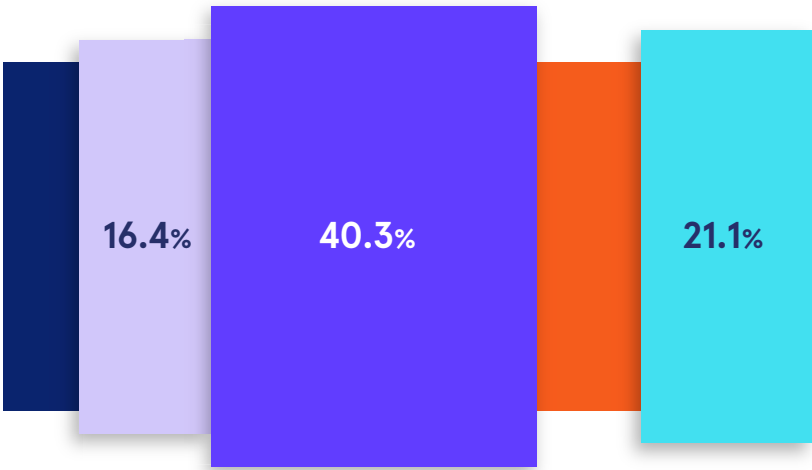


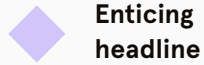
FIGURE 05

How many landing pages do you currently have?

- 0
- 1
- 2-5
- 6-10
- Over 10

Anatomy of a landing page

Include these four core elements to boost your conversion rate.



**Enticing
headline**

Hook visitors with a benefit-rich headline that makes them want to keep reading.



**Captivating
hero image**

Catch people's attention with a powerful image at the top of the page.



**Valuable
offer**

Make sure your offer is geared towards your audience and provides value.



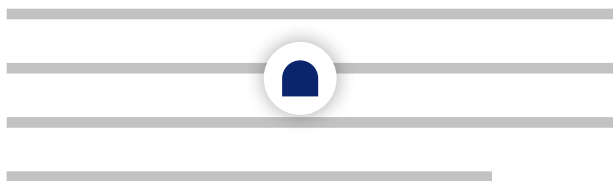
**Strong
CTA**

Finish with a call to action that urges readers to take the next step.

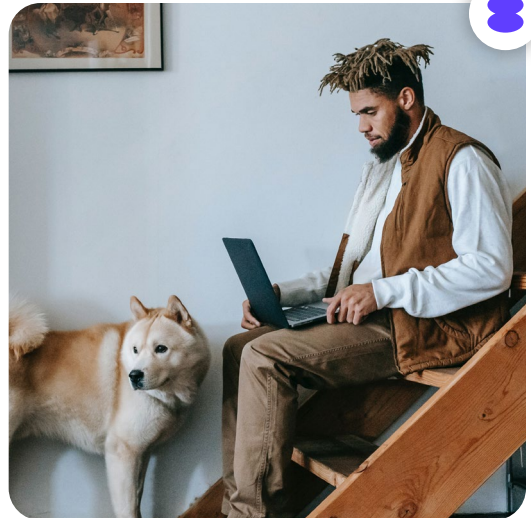


Main Headline

Sub Headline



Click Here



Testimonial



Online advertising

Curious how your online advertising budget matches up to your peers? Let's find out:

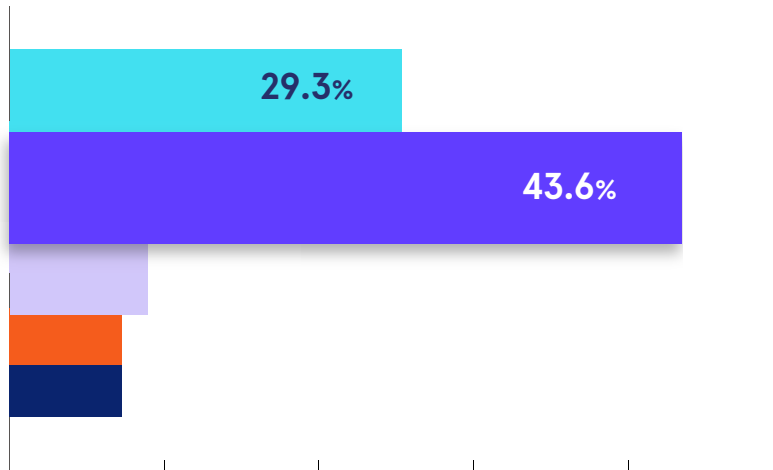


FIGURE 06

How much money do you spend on online advertising per month?

- \$0
- \$0.01-\$499
- \$500-\$999
- \$1,000-1,999
- Over \$2,000

Nearly three-quarters of those we surveyed indicated they **spend less than \$500 per month** on advertising, with almost one-third saying they don't invest any money in this strategy.

Why are so few businesses investing big money in online advertising? There are a couple potential reasons →



It's expensive: Newer businesses don't have the budget to spend thousands on advertising every month.



There are better traffic sources: As we've seen, most businesses get most of their traffic from organic sources. Once businesses build up a steady stream of organic traffic they likely start reducing their ad spend.

MAIN TAKEAWAY

Depending on your business model, once you build up a solid stream of organic traffic you can likely start reducing your ad spend.

In either case, this is further proof that businesses aren't making online advertising their primary focus.

Revenue

Generally speaking, businesses will have two types of revenue: one-off sales and recurring. So, which one is more prevalent?

■ It appears that most entrepreneurs are currently relying on **one-off sales**. Not every business model is set up for recurring revenue and many successful companies have been built on one-off sales.

■ However, if you are able to institute some sort of **recurring payment plan** you should definitely consider it. Having guaranteed revenue coming in every month puts less stress on the lead gen and sales side of your business. It's also much easier to scale, since you don't have to constantly search for new customers.

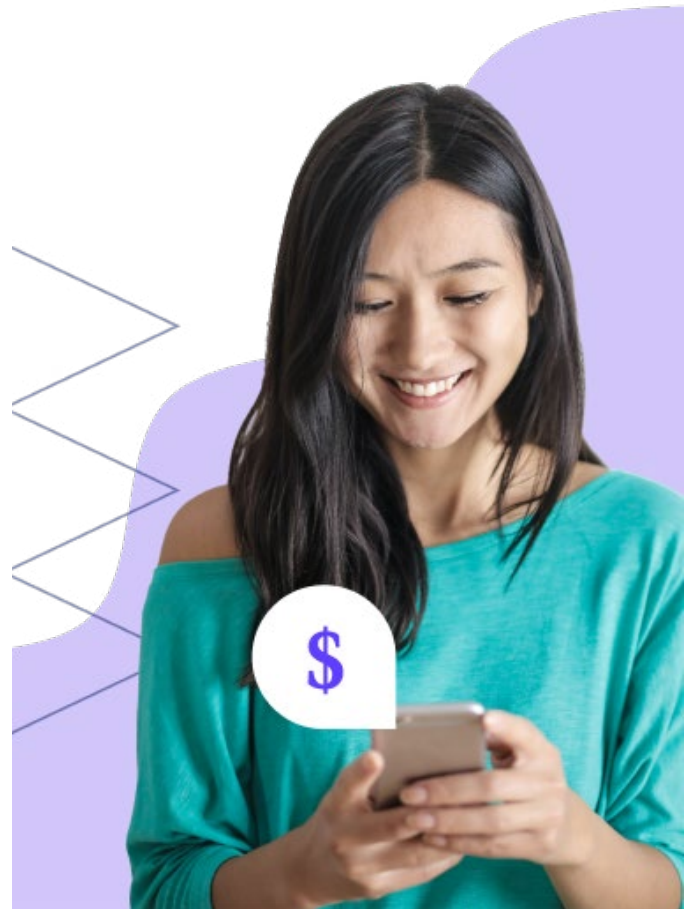
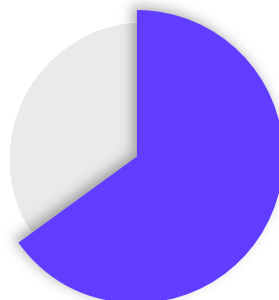


FIGURE 07

Is your revenue primarily from one-off sales or recurring payments?



65.1%

One-off Sales

vs.



34.9%

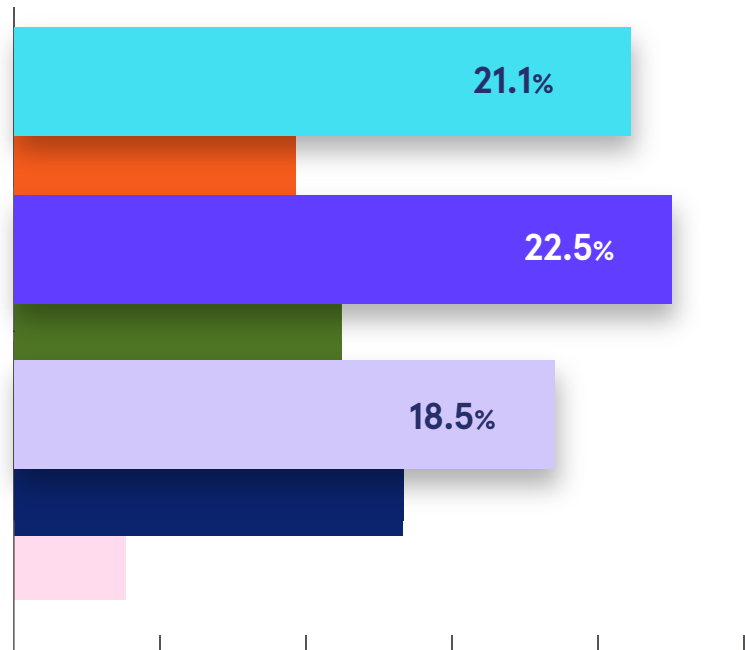
Recurring Payments

Challenges

No matter what stage or industry your business is in, you're going to face challenges. Here are the challenges businesses faced early on, and what they're currently dealing with:

FIGURE 08

What was the biggest challenge you faced when **starting** your business?



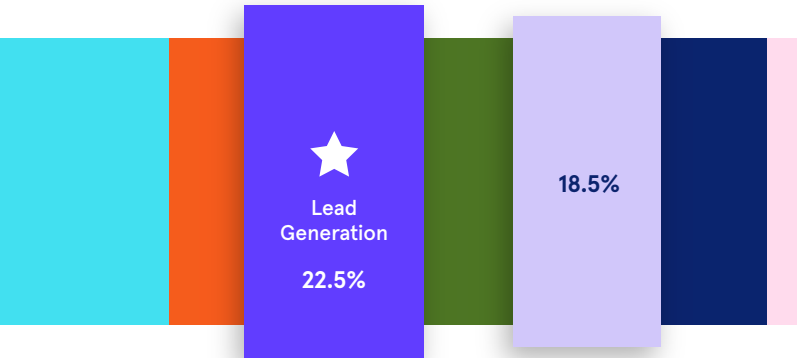
While fairly split across the board, **lead generation** was voted as the number one challenge for new businesses. No matter what type of business you're running, sales almost always start with leads—so it makes sense this would be the biggest challenge for those who are still building their brand and online presence. To overcome this, new entrepreneurs should focus on promoting one or two high-value lead magnets. This will jumpstart your lead generation and help you build your email list.

Close behind lead generation is a **lack of funds**. Most entrepreneurs start their journey on a tight budget, making it no surprise that this is another common challenge. New businesses can combat this by taking a more DIY approach to their digital marketing, rather than hiring expensive freelancers and developers.

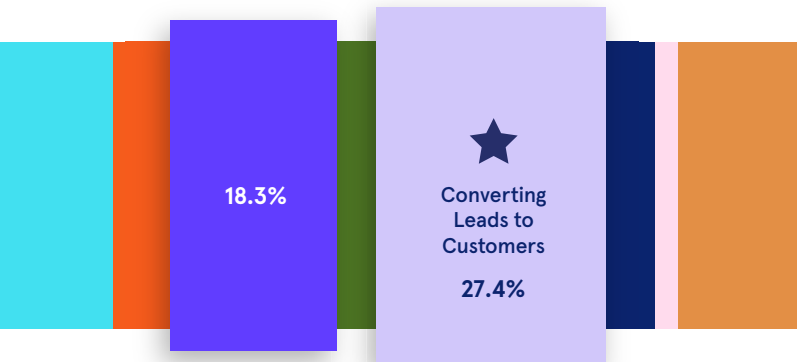
For example, [code-free website and landing page builders](#) allow you to build all the webpages you need yourself. Most of these offer cost-effective subscriptions, making it easier to manage your budget.

CHALLENGES CONT.

Biggest challenge you faced when **starting** your business:



Biggest challenge your business is **currently** facing:



While lead generation is still a concern for many established businesses, **as time goes on more entrepreneurs struggle with converting those leads into customers.** These businesses have clearly established an effective lead generation strategy but haven't yet optimized the lower portion of their sales funnel.

Once you get a lead into your funnel the best way to guide them toward a purchase is to set up an automated email sequence. This way, you can start building a relationship, establishing your credibility, and educating them on your products and services. Then, once they're familiar with your brand, you can make your sales pitch.

MAIN TAKEAWAY

Set up automated email sequences that guide leads toward a purchase once they enter your funnel.

Takeaways

Data is all well and good, but what does it mean for your business? Here are a few action items to take away from all this.

1 **Focus on organic traffic**

Despite all the different paid channels available to you, organic traffic is still how most businesses bring prospects to their websites and landing pages. Focus on building these channels early and you'll be rewarded later on.

2 **Want more leads? Create more lead magnets**

It's clear that the primary way businesses generate leads is through lead magnets, and most businesses have more than one.

3 **You don't need a large advertising budget**

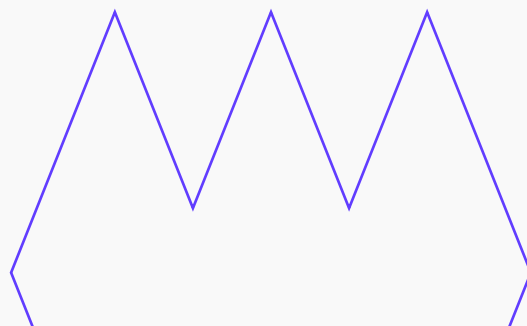
Most businesses we surveyed don't spend a lot on online advertising. So don't be discouraged if you don't have a large advertising budget.

4 **Establish your lead generation strategy early**

This is the biggest challenge for new businesses, so if you're just starting out make sure you have a lead generation plan. Your best bet is to create one or two high-value lead magnets and dedicate your time and money to promoting those.

5 **Make sure you have a way to nurture leads after they enter your funnel**

Once you establish a way to consistently generate leads you need a strategy to convert them into customers. An automated email marketing campaign is a great solution, as it keeps leads engaged, provides value, and educates them on your brand.





Ramp up your digital marketing with Leadpages

Looking for a user-friendly lead generation solution? With Leadpages, you can create high-converting websites and landing pages in a matter of hours, even if you don't have any experience with coding or web design. Create squeeze pages for your lead magnets, promote your offers with pop-ups and alert bars, and integrate pages with your email marketing provider to nurture leads once they enter your funnel.

Try Leadpages free for 14 days and discover a better way to grow your online business.

Tell Me More

