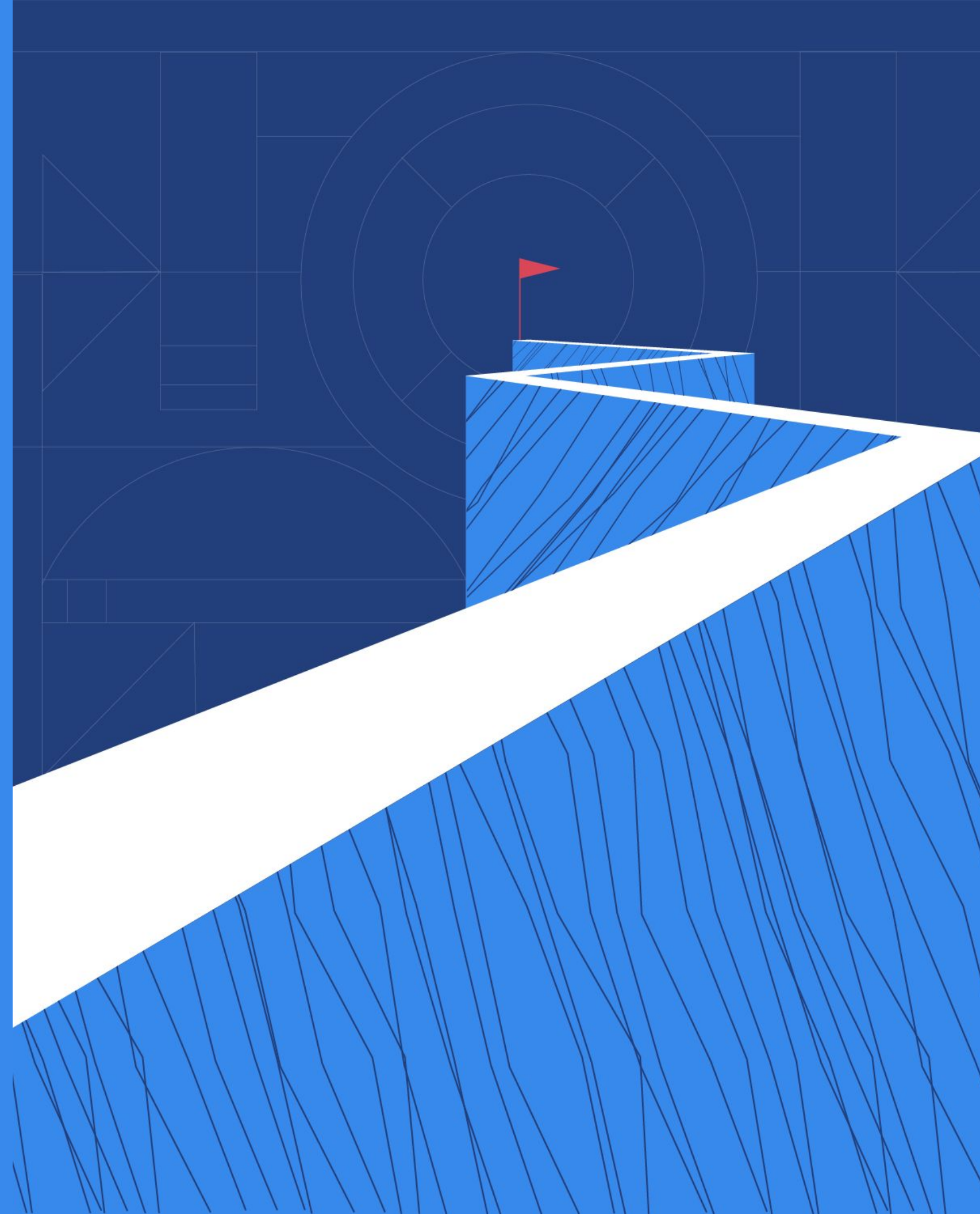


CallRail

Marketing Risk vs. Reward

How small- to medium-sized
businesses calculate marketing
risks and where to take them



Over the past few years, an increasing number of brands have gone viral for taking marketing risks —



— including small- to medium-sized businesses like the [Carpet Repair Guys](#) — who have become a TikTok phenomenon with over 800,000 followers and 2 million likes. Or [Amazing Lash Beauty Salon](#), which launched a Facebook campaign prior to its grand opening and saw 852 service transactions as a result in the first month.

While these success stories are inspiring,

for most small- to medium-sized businesses, marketing budgets are often tight with little room for taking risks on new channels or experimental campaigns. Consequently, any marketing experimentation needs to be carefully calculated to gain the buy-in of leadership and feel confident of a worthwhile return on investment.

So, what new channels or campaigns do marketers think are worth the risk — and where are they holding back and sticking with traditional channels and marketing tactics? To find out, we surveyed 601 marketers at small- to medium-sized businesses to understand what prompts them to take risks and experiment with their marketing dollars versus sticking to tried and true methods.



This report shares what we've learned about marketing risk-taking and insights into the impacts of things like increasing competition and social media algorithms. It also dives into how small- to medium-sized businesses are innovating to get and stay ahead — including how they're measuring the ROI of these experimental campaigns.

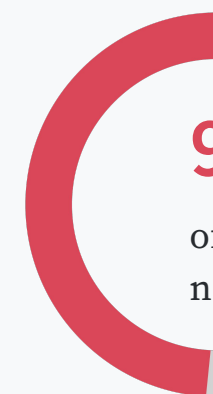


Five Top Takeaways

If you want the TL;DR version of our findings, here it is:



Small- to medium-sized businesses are willing to take risks on creative campaigns and new channels



98%

of marketers agree testing new channels is worth it



86%

of marketers agree executing experimental campaigns is worth it

Five Top Takeaways

#2

The risks are proving to be worth the reward.

- **96%** say experimenting has increased customers
- **86%** say experimenting has increased followers



Between \$100k - \$1m is what marketers estimate as revenue from new channels

#3

Not taking risks is actually risky business.

Based on the rewards risk-taking small- to medium-sized businesses are seeing, those not taking risks are clearly missing out, and most marketers know it:



of marketers who aren't testing new channels worry that their company will lose business to competitors

#4

Playing it safe financially isn't as important as staying competitive and feeling confident of success.

- Past success, reaching a specific audience, and competitor success are the top reasons marketers took risks on a new channel
- Low cost and minimal effort, surprisingly, didn't motivate businesses as much as gaining a competitive advantage or feeling confident they would achieve a return on investment.

#5

Marketers would take even more risks if they could easily measure the results.

- **97%** of marketers say that if they could know immediately if their campaign was working, they'd take more risks

Section 1

Marketing can be risky business, but small- to medium-sized businesses are taking a gamble

Creative campaigns and new media channels are taking the world by storm – and small- to medium-sized businesses are eager to join in.

- **87%** of marketers agree they're ready to take it to the next level with marketing
-

Marketers are going all in on staying cutting-edge.

- **98%** agree testing new marketing channels is worthwhile
 - **88%** agree following emerging trends is worthwhile
 - **86%** agree executing experimental marketing campaigns is worthwhile
-

Social media channels provide small- to medium-sized businesses with a unique opportunity to gain new business.

- **66%** say it's very easy to somewhat easy to compete with other small- to medium-sized businesses on social media
 - **61%** say it's very easy to somewhat easy to compete with larger brands on social media
-

And most marketers are taking advantage of the opportunity.

- **66%** say they've increased their company's social media presence in the last 12 months

Key takeaway

1. Small- to medium-sized businesses may have smaller budgets and resources than large brands, but they have the advantage of greater agility. Social media rewards those that can react quickly to emerging trends – and raw and authentic content often performs better or equal to highly polished (and more expensive) content. For these reasons, social media channels are among the best and most cost-effective places for small- to medium-sized businesses to experiment with campaigns and new channels.



[Learn more](#) about how small- to medium-sized businesses can successfully take the leap on experimental marketing and measure their efforts.



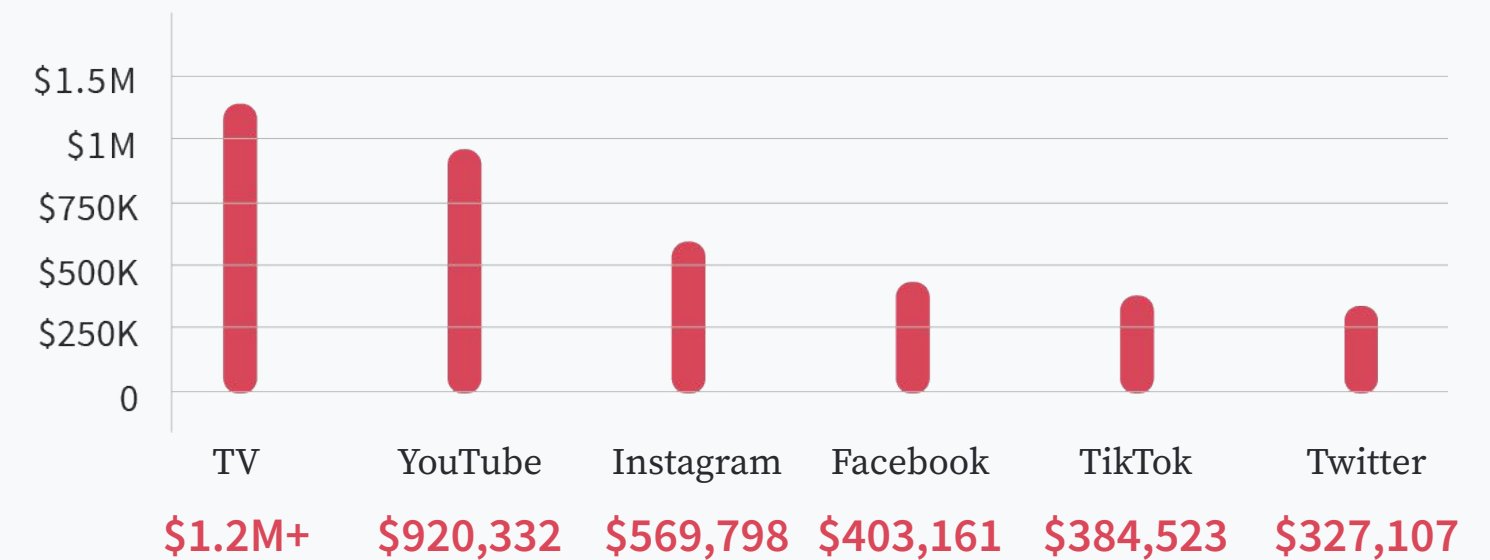
Small- to medium-sized businesses are taking risks

Marketers at small- to medium-sized businesses have proved that they're as bold and brave as any marketer – and they're willing to use the resources they have to experiment.

- **91%** of marketers have tested a new marketing channel or emerging trend in the last 12 months
 - **80%** of marketers have tested a new experimental marketing campaign in the last 12 months
-

Rewards for risk-taking are worth it

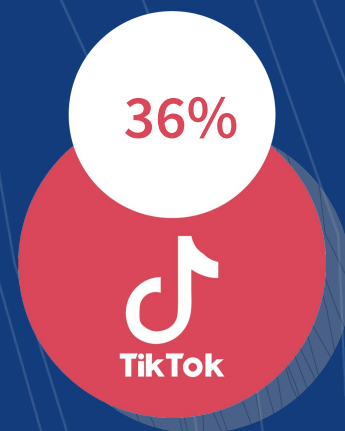
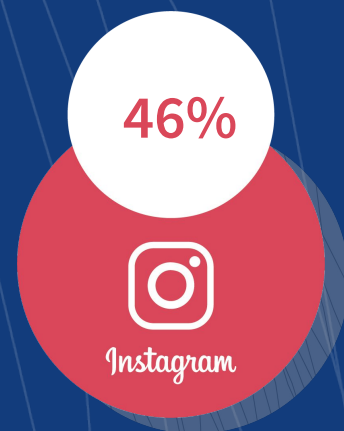
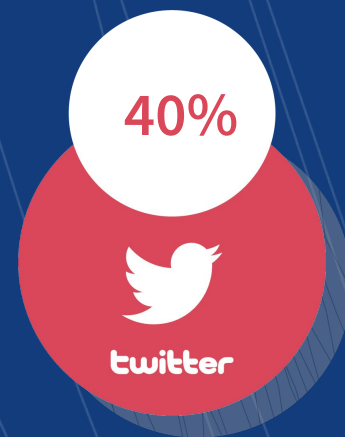
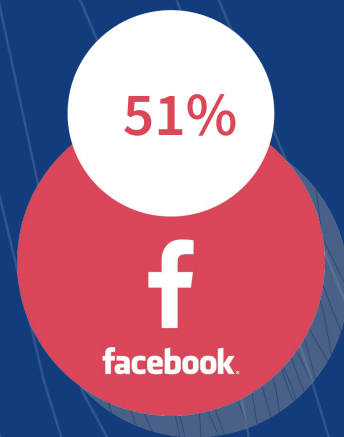
Marketers estimate the ROI of investing in new channels is in the hundreds of thousands to over a million in revenue. Television and YouTube have delivered the strongest ROI.



But the rewards go beyond revenue to more customers and followers.

- **96%** of marketers say their efforts have resulted in an increase in customers
- **86%** of marketers say their efforts have resulted in an increase in followers

The top channels marketers are expanding into



Top types of experimental campaigns

- **48%** began using a new tagline
 - **41%** revamped company colors
 - **41%** started using a new logo
 - **41%** launched a new ad campaign
 - **33%** tried a new offer
-

Key takeaway

Despite constrained budgets and resources, small- to medium-sized businesses are not as concerned about low cost and minimal effort when it comes to what factors into their decision to take risks. Instead, past success, specific audience, and their competitor success were the primary motivators for why a company was more likely to take a risk on a channel.



Section 3

Some small- to medium-sized businesses are holding back on risk-taking

The majority of marketers are taking risks, but some small- to medium-sized businesses are taking a more cautious approach to investing in new channels or experimental campaigns.

- **24%** say their company has decreased its social media presence in the last 12 months
 - **10%** say their company's social media presence has stayed the same in the last 12 months
-

But not taking risks
can be equally risky

First, let's be clear very few small- to medium-sized businesses aren't testing and experimenting.

- **Just 9% of marketers** say they didn't test a new channel or campaign in the past year
-

Even fewer marketers believe that playing it safe is a good idea.

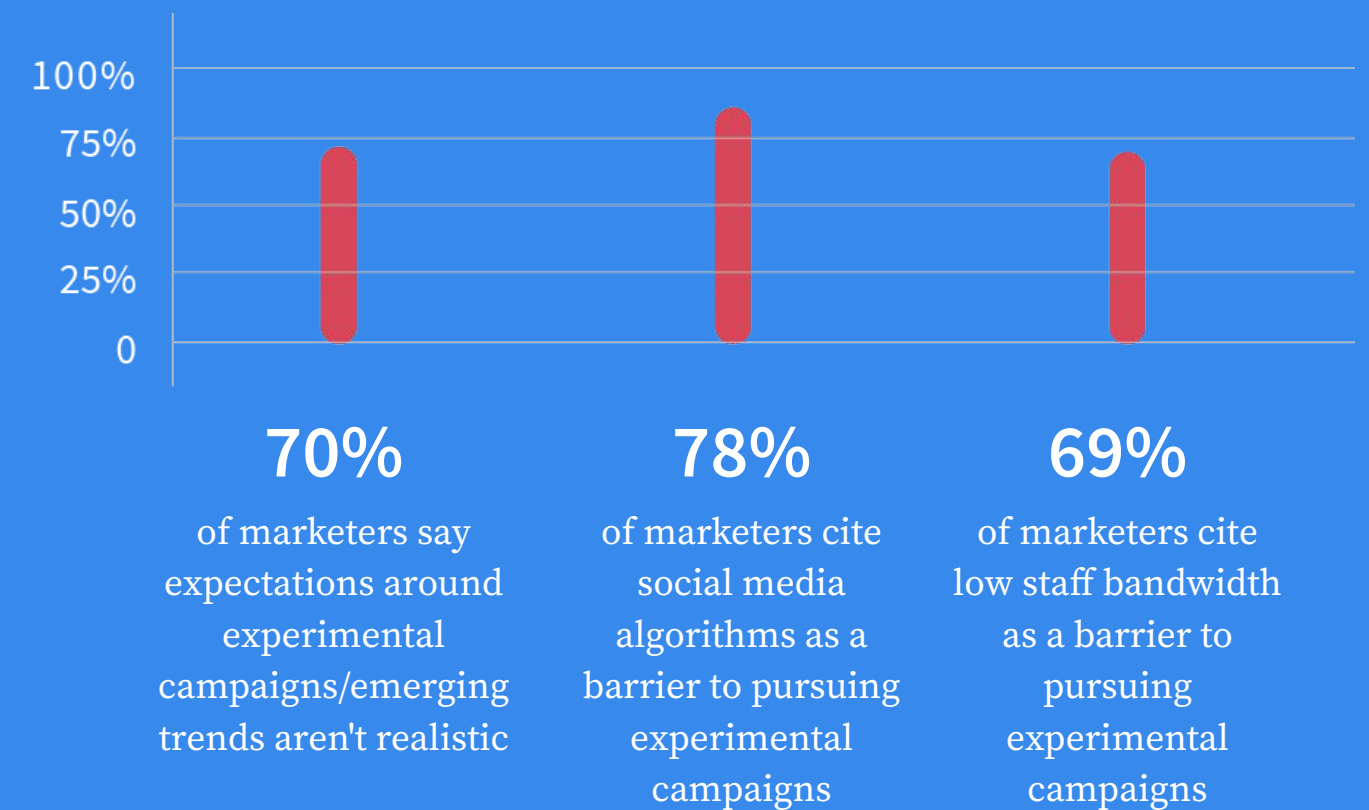
- **Only 12 marketers out of 601** believe that experimental campaigns are too risky for their company's reputation
-

And of those who didn't experiment (but wish they had):

- **65%** worry that their company will lose business to competitors because they don't have an effective marketing strategy in place
- **53%** worry that their company will lose business to competitors due to a lack of presence on new marketing channels

What's holding back would-be risk-takers?

The biggest reasons marketers say their company isn't experimenting or pursuing emerging trends are unrealistic expectations, social media algorithms, and low staff bandwidth.



Key takeaway

Instead of worrying about getting left behind, marketers should work to prove the ROI of new channels through tools like [call tracking](#). With CallRail's Call Tracking you can see every interaction with your ads and campaigns so you can compare the performance of one message or strategy to another. Many small- to medium-sized businesses also use Call Tracking features like call routing, custom call tagging and scoring, keyword-level attribution, online and offline call tracking, and more to start immediately measuring — and increasing — their marketing ROI.



Ready to gain more insight into your marketing ROI?
[Click here to try the leading call tracking tool.](#)



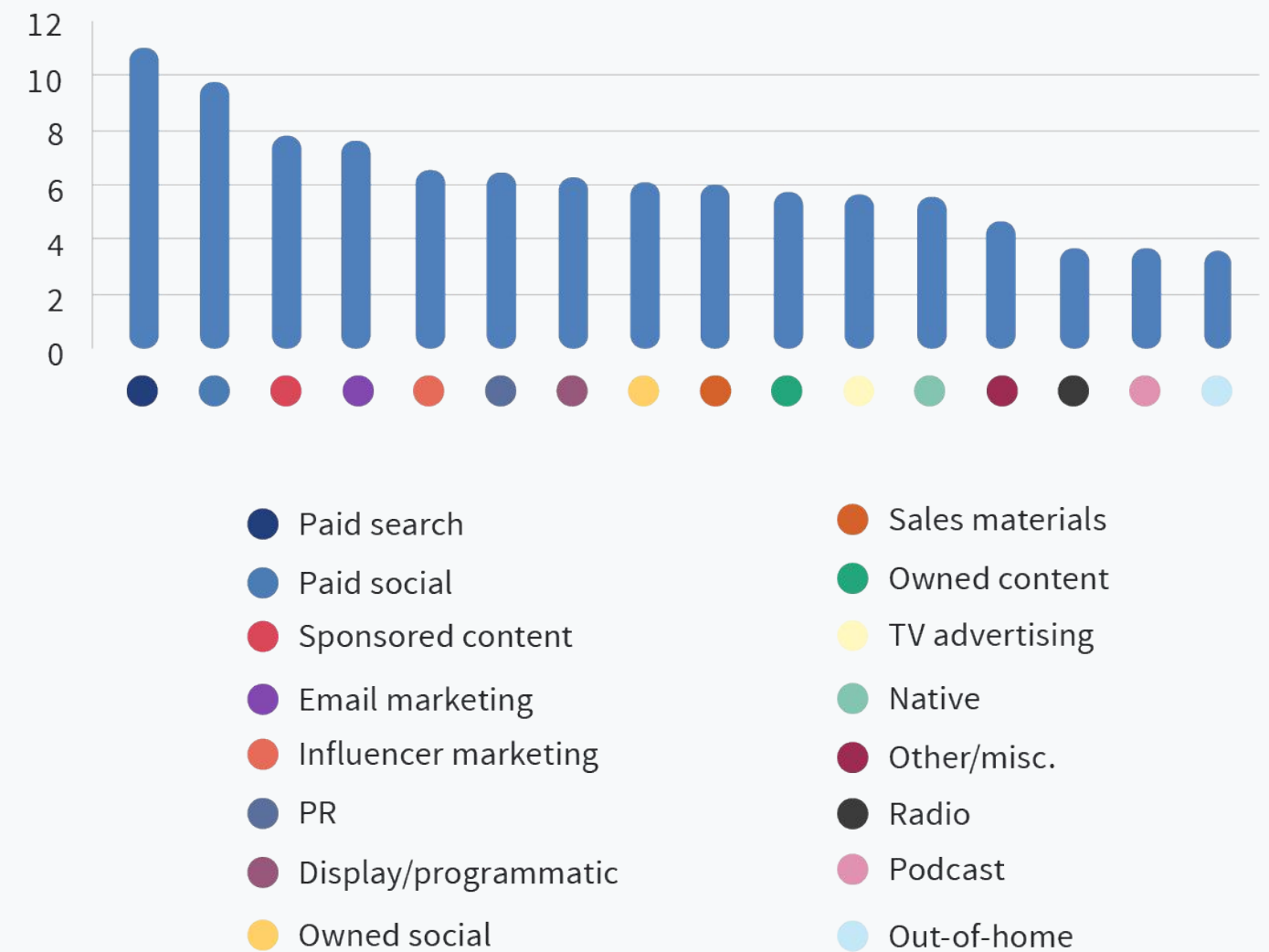
Section 4

Small-to medium-sized businesses are spending more on new channels, but proven tactics still hold sway

Paid search and paid social still win the day when it comes to small- to medium-sized business marketing spend. But trends like sponsored content and influencer marketing are getting more investment than traditional channels, including radio, TV, and out-of-home advertising.

Where businesses are allocating their marketing budget

Approximately what percentage of your annual marketing budget is allocated to the following categories?



Businesses are hiring to support expansion to new channels

In addition to testing new channels, 75% of small- to medium-sized businesses are hiring or planning to hire for more marketing roles to accommodate the rise in creative marketing needed to manage new channels.

The top in-demand SMB marketing roles:

- Social media marketers: **79%**
- Brand managers: **42%**
- Influencer marketers: **41%**

Budget barriers to risk-taking

When budget is a barrier to experimenting, for most marketers, the biggest reason is a lack of leadership buy-in.

- **83%** of marketers say leadership at their company is hesitant to invest more money into marketing
- **67%** of marketers say it is hard to get buy-in from leadership on potential new channels

But most marketers still believe taking risks is a good investment.

- **85%** of marketers say that testing new media channels is a worthwhile financial investment for their company
- **90%** of those marketers are funneling additional budget to testing new media channels

Why the risk isn't worth the investment to some marketers

Of the 15% of marketers who don't believe risk-taking is worth it financially, here's why they're holding back.

- **88%** say they'd rather put money into more proven campaigns
- **60%** say if risks are unsuccessful, it could be detrimental to their company's revenue
- **72%** say that their marketing budget is not big enough to take any risks

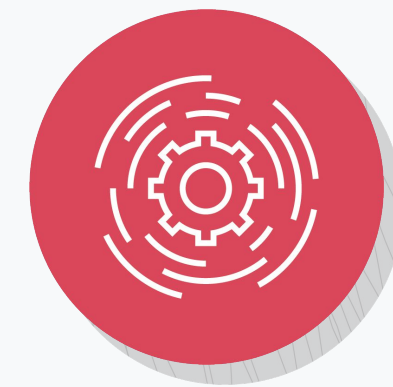
Key takeaway

Proven channels still deserve investment, but new channels do too. To make that happen, businesses need to be willing to test new channels and expand their marketing team to support more creative risk-taking.

For those marketers where new budget is hard to find, it's time to work harder at getting leadership buy-in. One of the best ways to do this is by tracking and measuring the results of any risk-taking you undertake – so you can prove ROI.

Form Tracking helps prove ROI by allowing you to attribute every lead that comes in through your web forms back to the marketing campaign that drove them to your site. When you pair that data with deeper analytics, you can clearly understand which marketing activities, keywords, sources, and campaigns are driving the most qualified leads for your business.

Better tracking capabilities would lead to more experimentation



One of the biggest barriers to risk-taking is that marketers don't have a good way to prove the value of their investments.

- **64%** of marketers say they don't have an easy/trusted way to prove if something is working



of marketers say if they had a way to know immediately if their campaign was working, they would take more risks.

Marketers need more data to justify taking risks

- **59%** say an inability to gauge which marketing channels are producing results is a barrier to pursuing experimental campaigns
- **55%** say they don't have the data to justify taking risks with emerging trends
- **53%** say they don't have the data to justify taking risks with new media

Tracking tools are one investment marketers are making to help gather more data and measure results.

- **\$156,098 per year** is the average amount marketers are investing into ROI tracking tools

Top tools marketers are using to track ROI

- **58%** analytics tools
- **47%** call tracking
- **43%** form tracking

Key takeaway

Only about half of marketers are investing in tracking tools, but without data and analytics, there's really no way to know if your marketing investments are paying off – even on traditional channels. The investment in tracking and analytical tools will help you gain greater insight into how new channels and campaigns are performing and help you track the ROI of all your campaigns and channels, so you're making the best decisions possible with your marketing budget.



Call Tracking highlights value of new channel for 3 Men Movers

When moving company 3 Men Movers first started using Yelp, their campaigns reported a high click-through rate to their website, but with no conversions attached. Their Yelp ad spend initially seemed like a lost cause. After implementing CallRail's Call Tracking software and beginning to use unique call tracking numbers, they realized that calls from Yelp ads were being attributed to organic traffic. The conversion rate for Yelp ads jumped to 25%, driving a significant improvement in ROI. Campaigns that once looked like a waste of money were suddenly top performers.

[\[Read the full story\]](#) →

Take risks and get the right tools to track your experiments

Tight budgets or not, most small- to medium-sized businesses are taking risks and being rewarded for it. In fact, financial impact and minimal effort are the least of their worries. Most businesses are much more concerned about getting left behind by competitors. They're focused on their customers and what channels they're on – and making sure to connect with them where they're at.

For businesses that aren't taking risks, there is a real risk their competitors will take the lead –

and that they'll lose customers and revenue. There is also a risk of losing marketing talent to more innovative companies. Most marketers (69%) have considered leaving their job for one with more creative freedom.

Whether you're already taking risks or not, investing in tracking and analytical tools, like CallRail's [Call Tracking](#) and [Form Tracking](#), is one of the best ways to provide marketers with more creative freedom to test new channels or trends while keeping risk in check.

The power of Call Tracking and Form Tracking together

Using [Call Tracking and Form Tracking](#) can significantly change your marketing risk. When these two tools are paired together, you'll have more data insights into what channels or campaigns are driving leads – and measure which conversion type, calls or forms, is getting the best results. As you continue to track and measure the data, you can start allocating your resources to the campaigns that bring in more of your best leads.

Reap the rewards of taking big risks.

CallRail's industry-leading business communications and analytics platform allows small- to medium-sized businesses to track campaigns and leads across traditional and new channels to better measure marketing ROI so you can take more risks and understand the rewards.

[Get in touch to learn more] ▶

Appendix A

Meet the marketers behind the data

The breakdown

- 601 total respondents
 - 36 average age of respondents in years
 - 47 states
 - Male: 62% | Female: 38%
-

The respondent qualifiers

- Live in the United States
 - Are 18+ years old
 - Hold a full-time in-house marketing role within a small- to medium-sized business
-

Respondents by industry

- Marketing & Communications: 28%
- Information & Communication Technology: 14%
- Advertising and Marketing: 10%
- Accounting: 10%
- Banking & Financial Services: 9%
- Manufacturing, Transport & Logistics: 4%
- Healthcare & Medical: 4%
- Other: 21%

Respondents by job title

- Account Manager: 19%
 - Marketing Account Analyst: 15%
 - Marketing Manager: 12%
 - Account Executive: 8%
 - Marketing Designer: 6%
 - Office Manager: 6%
 - Director of Marketing Services: 5%
 - Other: 29%
-

Revenue

- \$0 - \$99,999: 24%
- \$100,000 - \$499,999: 12%
- \$500,000 - \$999,999: 18%
- \$1M - \$10M: 18%
- \$10M - \$50M: 12%
- \$50M - \$90M: 7%
- \$100M+: 2%
- Don't know/not sure: 5%