

CallRail

2023 Marketing outlook for law firms

A report on legal marketing strategies
and budgets in 2023



Executive summary

Marketing is a vital part of any law firm, from solo practices to practices with hundreds of employees. But marketing is always under scrutiny because it's non-billable and ROI is difficult to prove without the right tools.

Law firms are walking a fine line in the coming year between the spending needed to modernize their marketing operations and historic cost increases throughout the firm, especially in areas like talent. In such an inflationary environment, the insights that can only be driven by analytics tools will play a critical role for law firms looking to operate in the most efficient manner and maximize their ROI.

The following report explores our findings from a survey of 600 full-time employees at law firms and legal-focused marketing agencies. It provides insights on the legal industry's marketing priorities and strategies, including the industry trends behind shifting budgets and goals. With the challenges that lay ahead, the findings highlight the outsized role that marketing analytics and business communication tools will play in helping law firms optimize their lead generation and conversion numbers throughout the marketing funnel, ultimately driving better bottom line numbers for the firms.

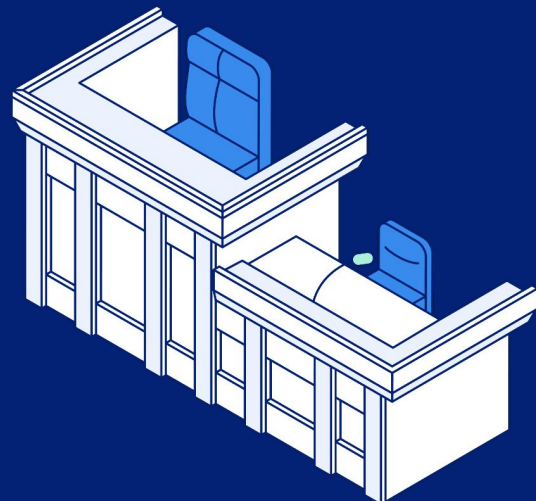
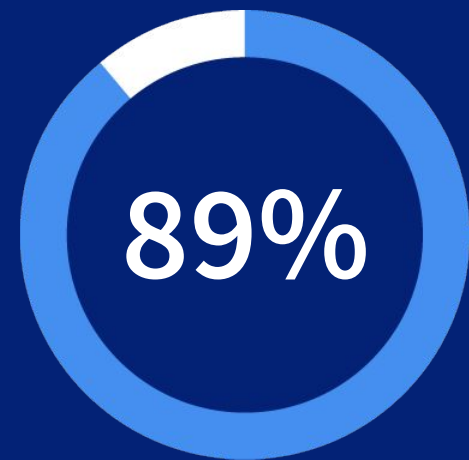


Table of contents

Key findings	3
Where does marketing stand?	5
Lead generation	7
Marketing technology	12
Marketing performance	13
Budgeting trends	15
The state of outsourcing and marketing agencies	19
Law firm marketing outlook	22
A new toolset for sustainable growth	23

SECTION 1

Key findings

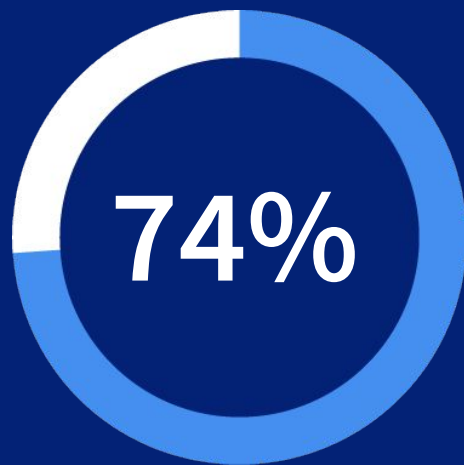


Marketing is a priority, but heavily scrutinized.

89% of firms agree that because marketing is a non-billable expense, it is scrutinized much more heavily than billable activities

Legal marketers are struggling with marketing execution, but remain confident — maybe too confident — in their marketing strategy.

74% of firms are confident in their marketing strategies



70% believe their firm has wasted money on low ROI marketing campaigns in the last 12 months

Law firms have adopted many new marketing channels and tactics, but gaps in reporting leave marketers in the dark on actual performance.

42% of firms are basing their marketing spend on attribution metrics provided by reporting tools

36% of law firms still manually report tracking metrics with Excel spreadsheets

As marketing channels become more competitive, law firms are finding critical channels are underperforming and need to be optimized.

45% of a law firm's new clients visit their firm's website

#1 Legal marketers identified Email marketing as the #1 underperforming channel

Lack of budget is holding back strategic investments in outsourcing help, lead generation tactics, and reporting tools.



76% would like to spend more money on **paid search**

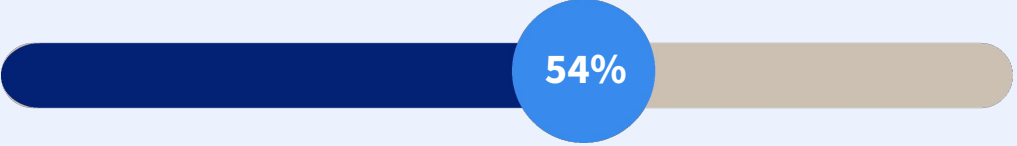


Lack of budget is a leading reason law firms **don't outsource any of their marketing**

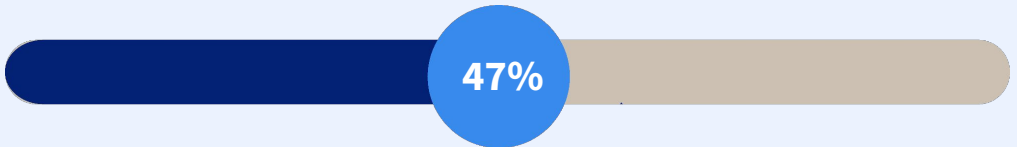
To address marketing needs, most law firms will turn to technology and plan to strategically invest in call tracking, form tracking, and other marketing analytics tools.



62% of law firms plan to adopt **call tracking technology**



54% of law firms plan to adopt **form tracking technology**



47% of law firms plan to adopt **web/marketing analytics technology**

SECTION 2

Where does marketing stand?

The value of marketing for law firms is undeniable, but sometimes only in theory, as in practice the value is hard to prove, especially without attribution and reporting tools.

With 69% of respondents stating that attorneys are responsible in part for marketing at their firm, the impact of those non-billable hours is acutely felt.

Where law firms see marketing execution fall short

While many firms (74%) are confident in their marketing strategy, the reality is that the vast majority routinely struggle to measure and optimize their efforts for maximum return.

70% believe their firm has wasted money on low ROI marketing campaigns in the last 12 months

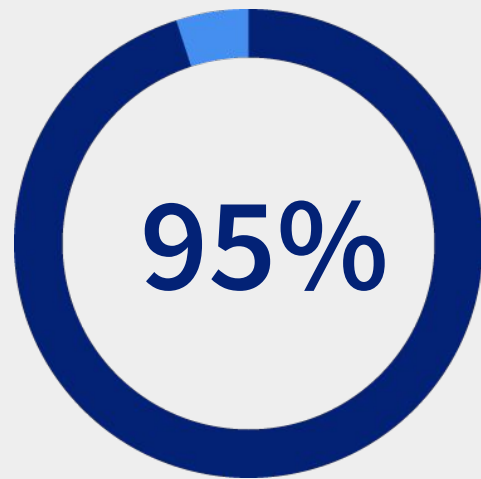
68% believe their firm has wasted time on low ROI marketing campaigns in the last 12 months

67% say their firm's processes to understand the impact of marketing campaigns are not efficient

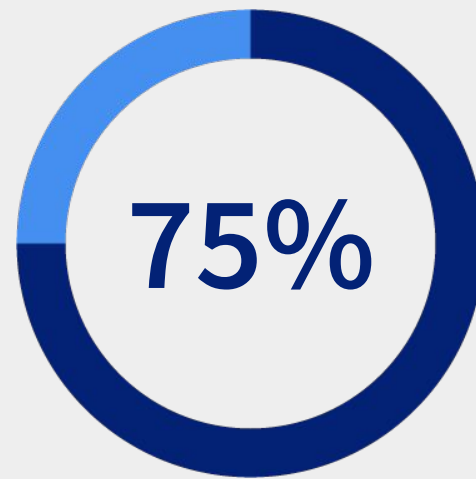
65% don't know what metrics to track and measure

Why are law firms losing confidence in their marketing?

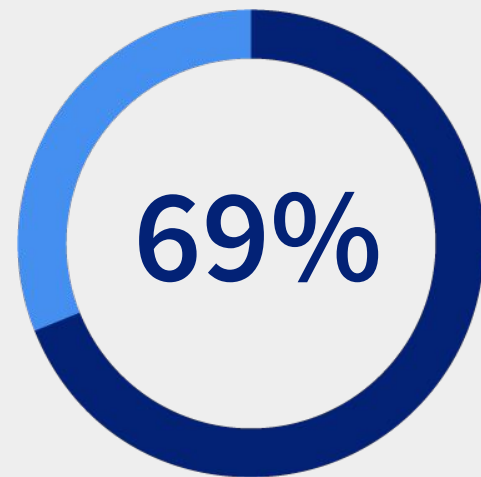
Of those firms who lack confidence in their strategy, they're faltering for a variety of reasons.



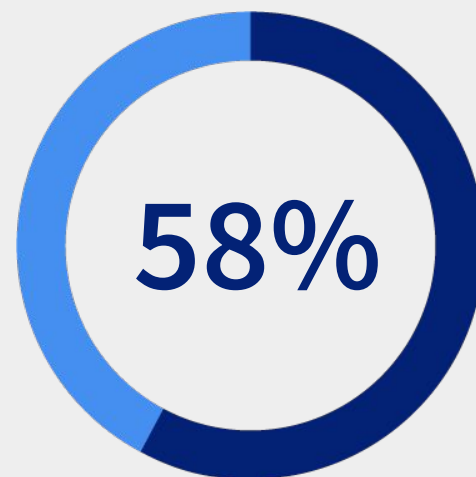
95% of these firms say marketing is falling by the wayside



75% of these firms say their marketing lacks the budget



69% of these firms say that no one is responsible for marketing



58% say a lack of marketing effort hurts the firm's performance in the market

For these firms, many have yet to buy in — or can't afford to buy in — to marketing as a strategy for sustained growth. When the time is right, they'll need the right reporting tools to help demonstrate ROI for their marketing strategy.

For the firms who trust in their strategy but can't execute, their outlook is brighter — with the addition of the right marketing analytics tools, like [Call Tracking and Form Tracking](#), these firms can close reporting gaps to find the insights to help them improve.

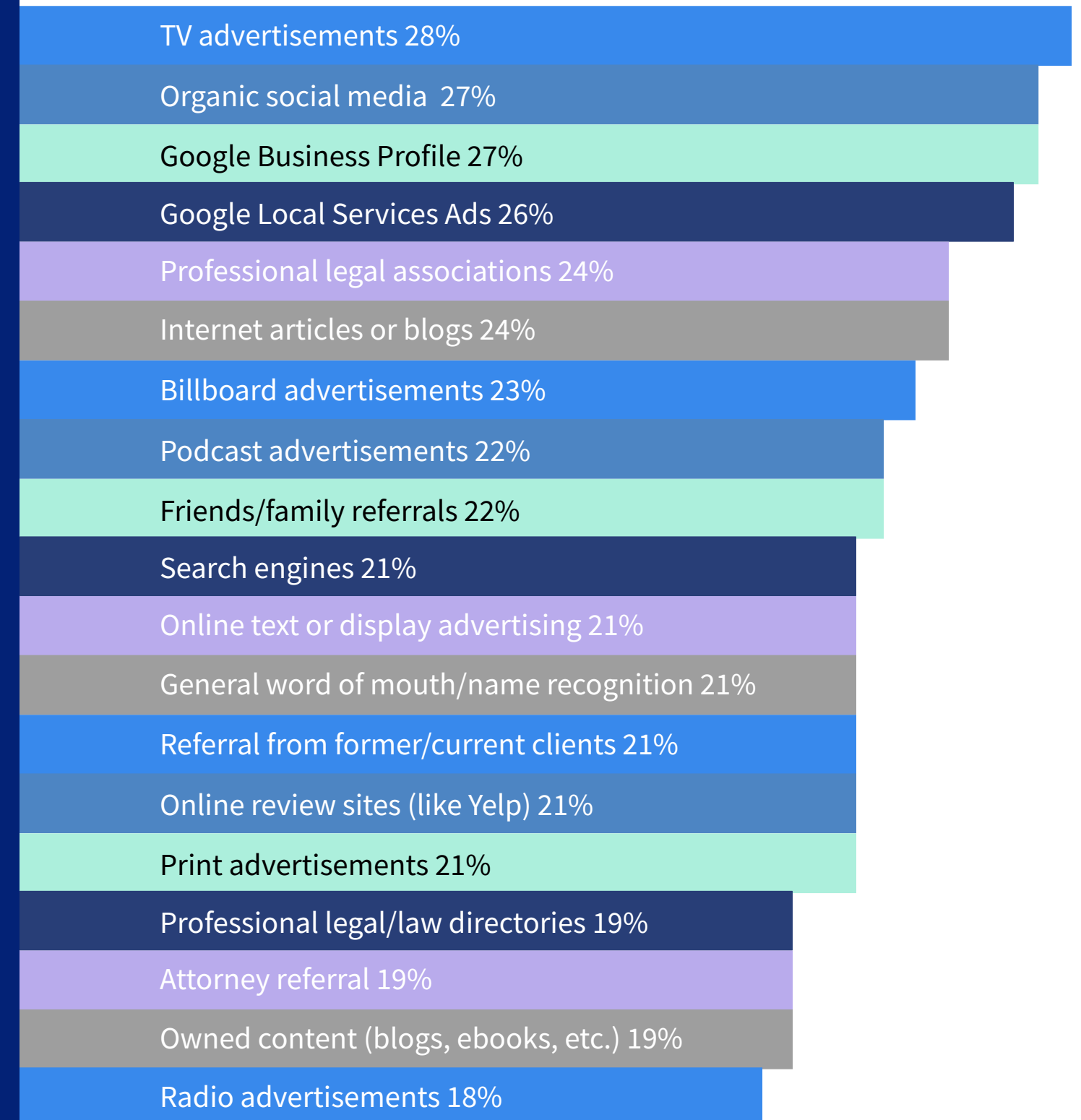
SECTION 3

Lead generation

A key benchmark for any marketer is turning anonymous interactions into leads — and in a highly competitive industry like the legal industry that continues to become even more competitive by the day, the stakes are enormously high to generate leads efficiently and consistently.

To generate leads, law firms are tapping into a diverse mix of channels to build brand awareness with their audiences. These top-of-funnel plays are a mix of traditional (TV ads, billboards), paid digital (search engine marketing, podcast advertisements), organic (social media, word-of-mouth), and third-party (professional legal associations, attorney referral networks).

Top channels for brand awareness



Brand awareness doesn't directly correlate to leads, however. That was apparent when law firms were asked to rank the most successful channels for generating leads. Leading the pack were timely, opportune sources — TV ads, search engines, organic social media, and word-of-mouth.

The marketers we surveyed felt that some of the top channels for brand awareness, like Google Local Services Ads and podcast ads, performed poorly for lead generation. However, considering the challenges many law firms have tracking and measuring the impact of their marketing, there may be a marked difference between the perception and the reality for what's generating leads.

Top channels for lead generation

- 1** TV advertisements
- 2** Search engines
- 3** Organic social media
- 4** Professional legal associations
- 5** General word of mouth/name recognition
- 6** Referral from former/current clients
- 7** Print advertisements
- 8** Professional legal/law directories
- 9** Google Business Profile
- 10** Owned content (blog posts, eBooks, etc.)
- 11** Billboard advertisements
- 12** Internet articles or blogs
- 13** Online review sites (like Yelp)
- 14** Attorney referral
- 15** Friends/family referrals
- 16** Podcast advertisements
- 17** Google Local Services Ads
- 18** Online text or display advertising
- 19** Radio advertisements

Lead generation efforts are held back by budget limitations

Law firms recognize the importance of search engine marketing — 96% of firms said they engage in paid search marketing, or pay-per-click (PPC). It's a smart strategy: a different study found that [86%](#) of prospective law firm clients rely on Google to find an attorney.

But it's getting more expensive to compete in the channel. Inflation is even affecting PPC advertising, with the [average global cost-per-click](#) rising from \$0.52 in Q1 '21 to \$0.62 in Q1 '22. Law firms have some of the most competitive — and expensive — ads already, and CPC inflation won't help.

Despite it being a nearly universal tactic, law firm marketers are growing skeptical of PPC's efficacy due to the continuously increasing costs.

97% of law firms who use PPC say paid search is too expensive to get good ROI

76% of those firms also believe they don't have the budget to compete

76% of firms say they would like to spend more money on paid search, if they had the budget

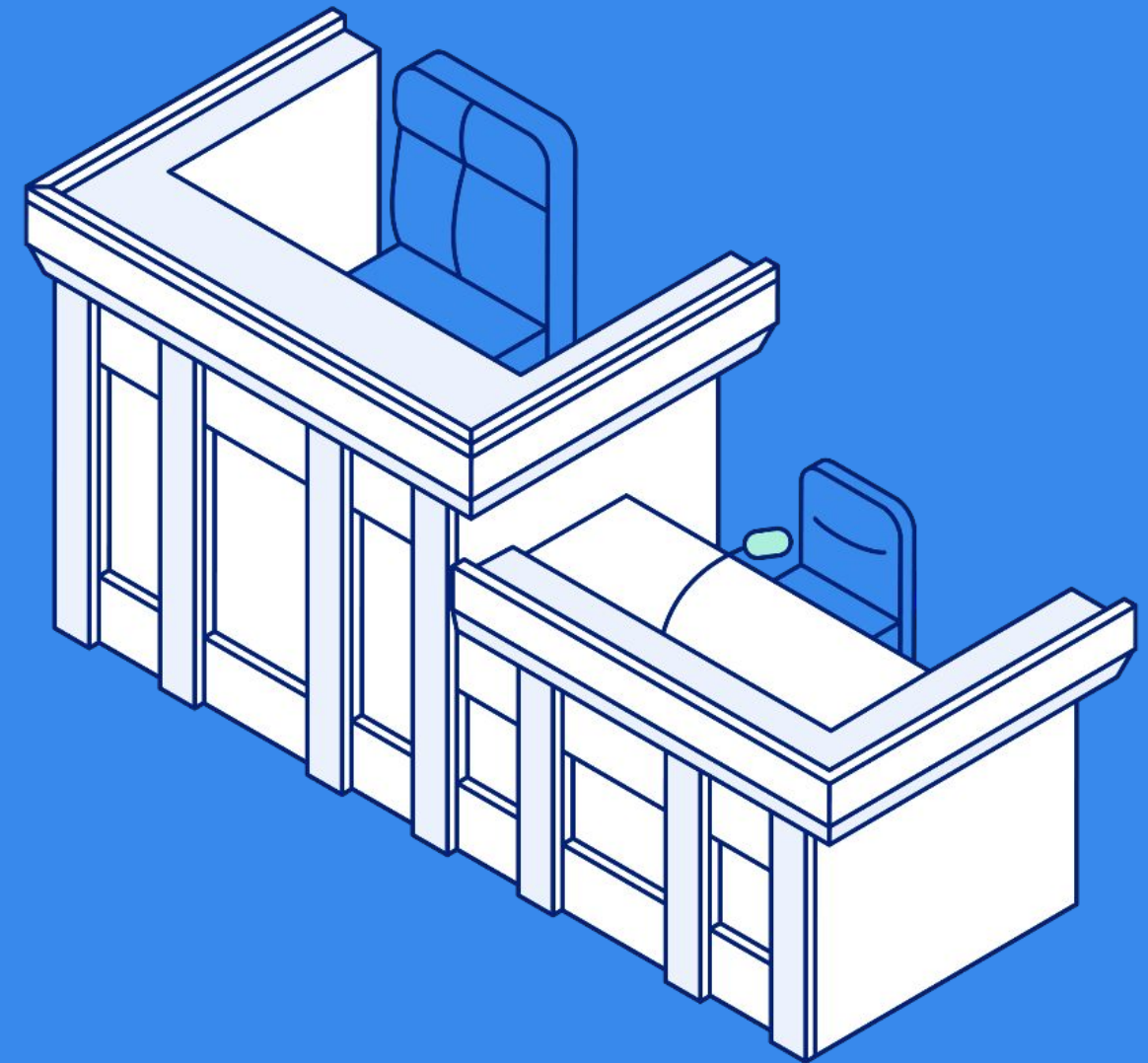
Law firms clearly see the need for more volume of clicks and competition on more keywords, but given their expense bases, more must be done with the budget they already have.

How law firms can improve PPC performance

Legal industry keywords consistently rank as some of the most expensive and competitive keywords to bid on. Before increasing ad spend, law firms should do everything they can to track the effectiveness of their keywords and optimize their current spend.

One way law firms can improve their PPC strategy is by using conversion tracking with CallRail. By understanding which keywords are driving conversion — calls, form fills, etc. — law firms can identify what's resonating with prospective clients and what's not. With insights from Call Tracking and Form Tracking, marketers can create improved messaging for dedicated landing pages to match their highest-performing keywords and ad copy.

When [JC Law](#) sought to optimize their PPC strategy, they were able to reduce ad spend by 20% while retaining 61% more clients with CallRail and Hubspot, thanks to clear insights into which PPC ads were driving new calls and clients.





Phones are still the top communication channel for leads

The first time a prospect reaches out to a law firm is critical, and law firms are fielding new leads through a variety of channels.

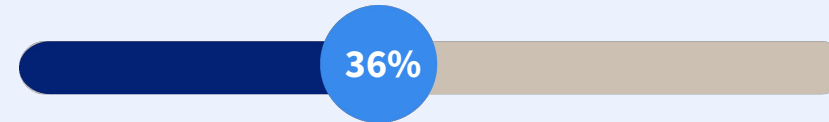


21% of law firms say first contact with a prospect is **via phone or online portal**

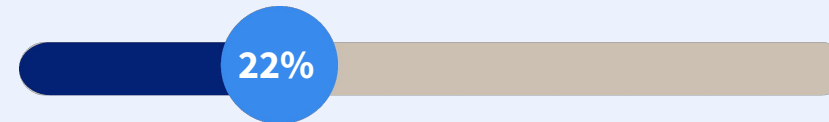


20% of law firms say first contact with a prospect is **via email**

After the first engagement, prospective clients increasingly prefer the phone.



36% of law firms say clients **prefer phone calls**



22% of law firms say clients **prefer text messages**



15% of law firms say clients **prefer email**

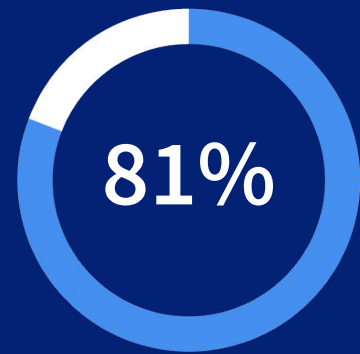
Prospects are bypassing the law firm's website

Surprisingly, only **45% of law firms say new clients visit their website**. Either law firms have trouble attributing website activity to leads or it points to the increasing reliance by prospects on other channels to find phone numbers and emails for the firm. If it is indeed an attribution problem, firms may be missing out on key insights into campaign and keyword performance. Law firms seem well aware of the importance of a better website, since — as we note later in the “Budgeting Trends” section — business website optimization is the leading area planned for increased spend next year.

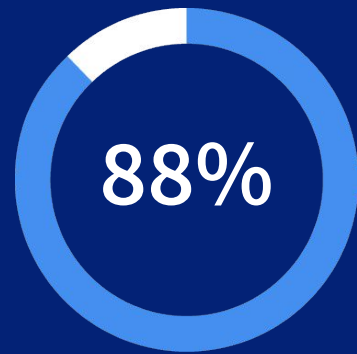
SECTION 4

Marketing technology

Calls play a very important role in the client experience at a law firm (it's by far the most common form of communication between law firms and their prospects and clients), so it's no surprise that law firms are prioritizing investments in technology related to phone calls.



81% of firms say they're recording phone calls



88% of firms say they use CRM or intake software

Law firms use phone calls for marketing insights

55% The majority of law firms use call recordings to inform marketing decisions and messaging

48% of firms say call recordings help them populate intake information

Intake software is critical, but not a silver bullet on its own

97% of law firms still spend otherwise billable time during the workday tracking down client or prospect information

Law firms have an opportunity in 2023 to reevaluate their MarTech stack to improve their marketing performance, from making better investment decisions to streamlining operations with automations to improving conversion rates across the client journey.

SECTION 5

Marketing performance

Legal marketers are keeping a close eye on their marketing performance, in particular their ability to optimize based on real-world evidence rather than anecdotes. Significant gaps do exist in that ability though, and as a result firms have challenges to address in many of their marketing areas.

Slow responses and wasted time impact the bottom line

10
HOURS

On average, law firms spend **10 hours per week simply tracking down client or prospect information**

9
HOURS

It takes, on average, **9 hours for a law firm to respond after a prospect reaches out**

Law firms are acutely aware of the impact that slow response times have when it comes to clinching a new case.



On average, law firms estimate that their slow response times cost their firm **64 clients with an average loss of \$16,072 per client per year.**

Law firms see optimization and budget impacting performance

41% Website optimization

34% Social ad budget

27% Mobile optimization

27% Paid ad budget

25% Paid search budget

- Digital marketing tactics dominated the top five challenges for law firms, which may point to a skills gap or reporting difficulties
- Website optimization (41%) and mobile optimization (27%) were two of the top three challenges
- Other top challenges include competing with larger firms' social ad budget (34%), paid ad budget (27%), and paid search budget (25%)

Top challenges

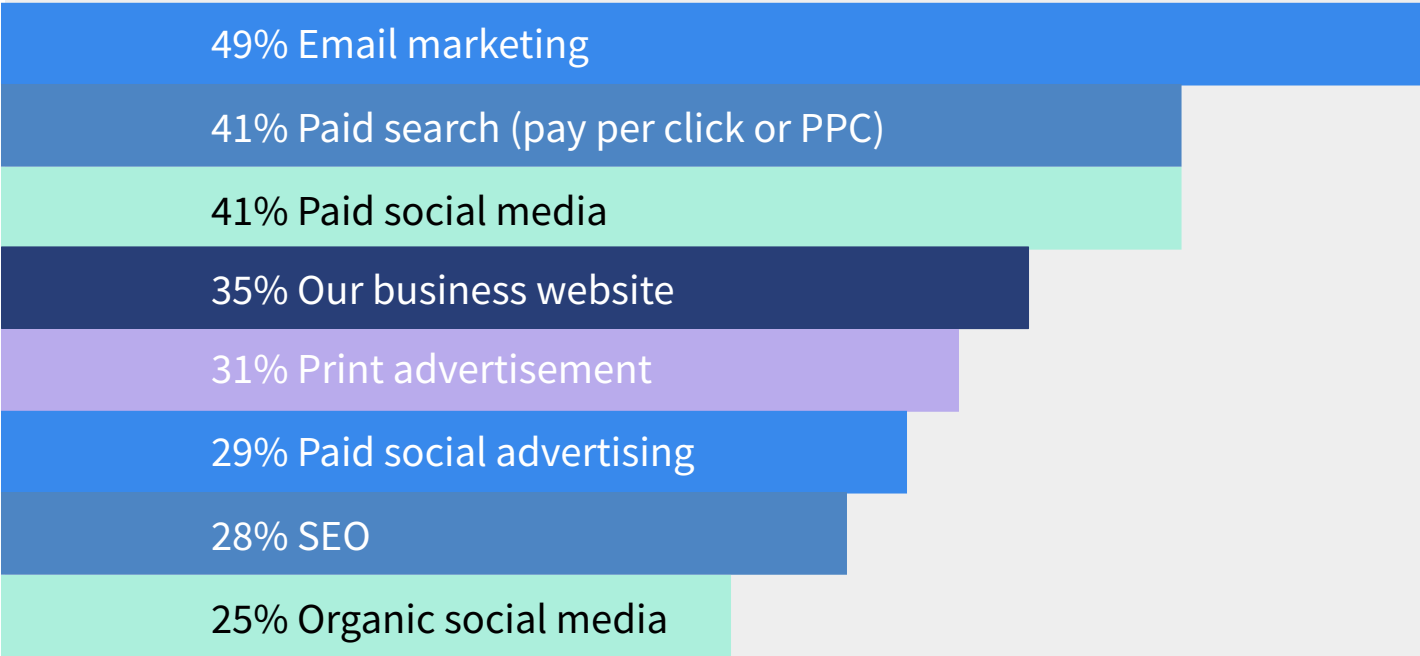
These top challenges highlight a few underlying challenges. First, it's likely that there is a skill gap internally when it comes to managing digital properties. Second, a lack of insight into actual paid ad performance has law firms believing they're just being outspent, not out-strategized or out-executed.

Where legal marketers were least concerned with their performance

6% of law firms were most optimistic about their **performance in attribution**

11% of law firms were most optimistic about their **performance in social media management**

What channels are underperforming?



While many marketers seem confident in their attribution—that is, the practice of evaluating the marketing touchpoints a consumer encounters on their path to purchase—there are many red flags in this report that suggest marketers are actually overlooking the challenge of attribution, given their difficulty in knowing what metrics to track and their lack of key analytics tools.

What are the worst performing channels?

- 1. Email marketing
- 2. Our business website
- 3. Paid search (pay per click or PPC)
- 4. Paid social media
- 5. SEO
- 6. Paid social advertising
- 7. Organic social media
- 8. Print advertisement

SECTION 6

Budgeting trends

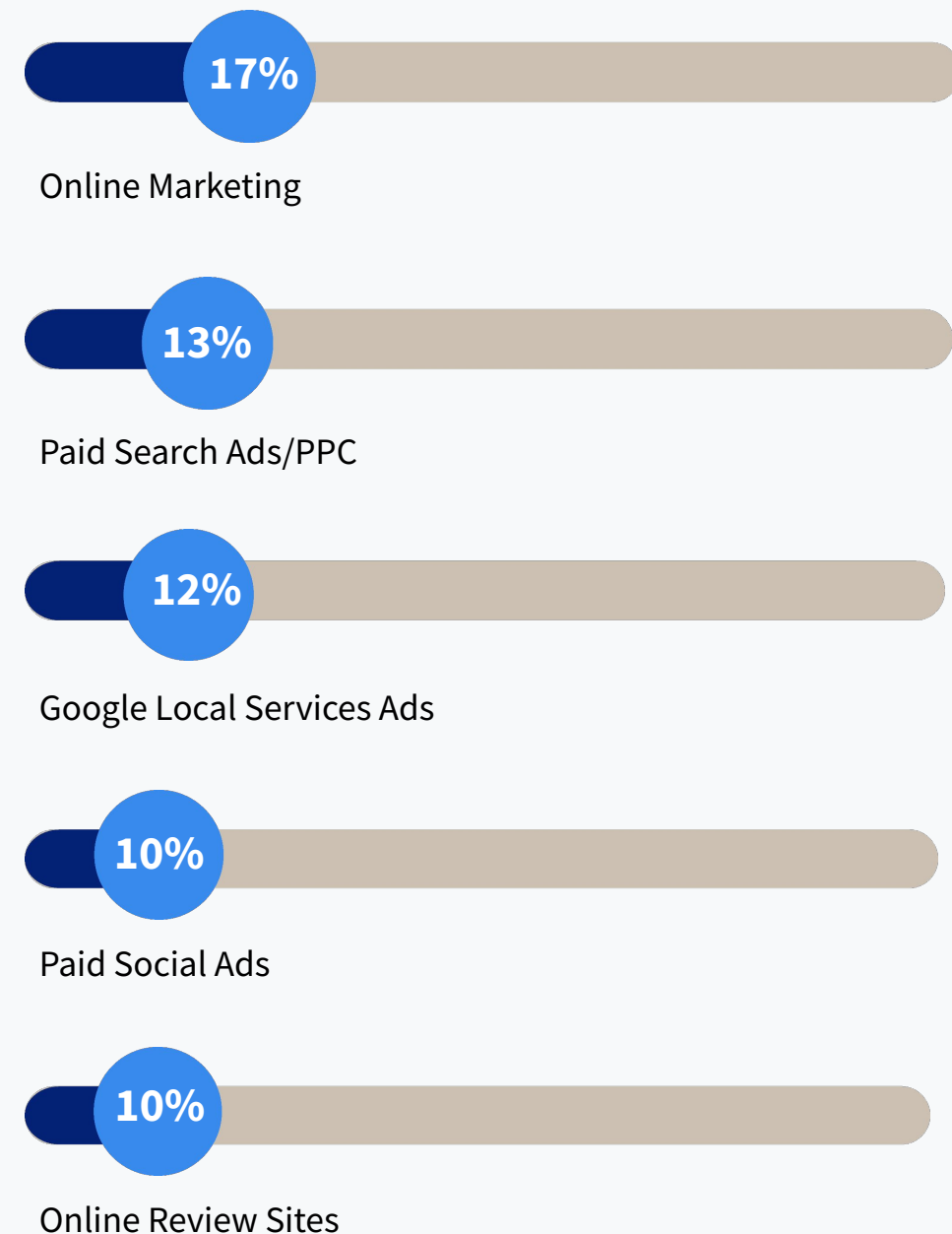
Rising costs are increasing the sense among many firms that they lack the budget for critical tools or that they can't compete with the larger budgets of other firms. These concerns make measurement and optimization more important than ever.

Many law firms are investing significantly in their marketing efforts. The average law firm spends 15% of their annual budget on marketing.

How are law firms spending their annual budget?

That 15% of the annual budget is being spent on a diverse set of marketing tactics.

Digital



Print



Print And/Or Billboard Advertising: 11%

Broadcast



TV Advertising: 11%



Podcast/Radio Spots: 10%

Events



Networking Events: 10%

What's driving the strategy behind the marketing spend in these channels? The majority of the time, it isn't data.

42% of law firms said they're using attribution metrics provided by reporting tools to make their spending decisions

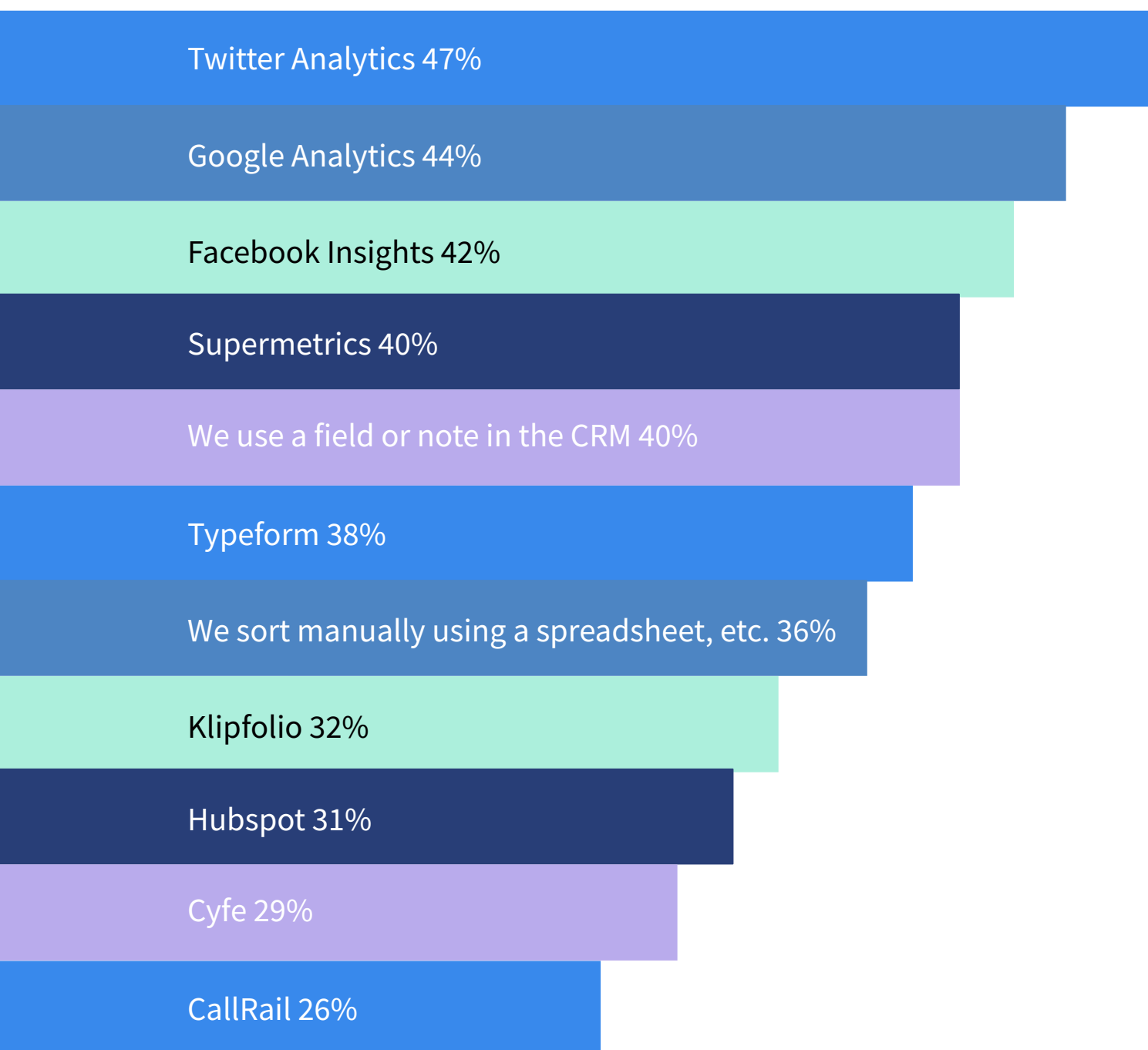
With numbers like that, it's little wonder why law firms are struggling to understand and optimize the ROI of their marketing activities.

For those legal marketers who do use reporting tools, what are they using? Not surprisingly, leading analytics tools help address social media, search, CRM, and call activity.

36% of law firms report using Excel spreadsheets to manually track their metrics

— a highly labor-intensive process that uses precious billable hours for non-billable activities and can dramatically limit insights.

What reporting and analytics tools are legal marketers using?



Looking at this spread of tools, it's clear that law firms aren't getting a picture of their overall marketing performance. The channel-specific approach to reporting silos data and doesn't allow for insights into how different channels affect each other — such as the impact of display ads on form conversions. Cross-channel insights into marketing campaigns and the client experience are absolutely critical for optimizing spend and correctly attributing conversions.

With CallRail's [Call Tracking](#) paired with [Form Tracking](#), law firms can close the gaps that exist between their top-of-funnel campaigns and their bottom-of-funnel conversion points, like phone calls and forms. These insights help improve everything from messaging to spending.

Marketing budget changes for 2023

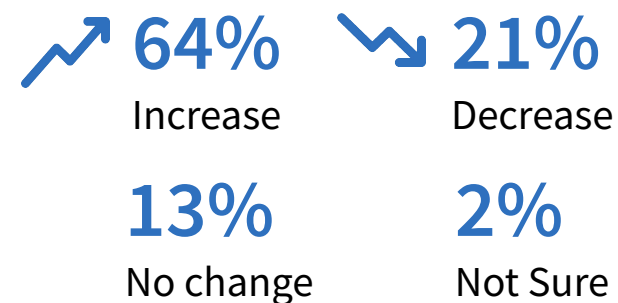
Overall, despite the headwinds law firms face, the majority of law firms say they're going to increase spending. Notably though, most of those firms weren't going to increase spending on SEO and email marketing.

When marketers said they planned to decrease marketing spend on the surveyed tactics, high cost was always a factor. For those firms planning to decrease spending on their website and email marketing, they cited the difficulty of tracking ROI. This combination is another leading indicator demonstrating the need for law firms to adopt stronger reporting and analytics tools.

Business website optimization

Why are some law firms spending less?

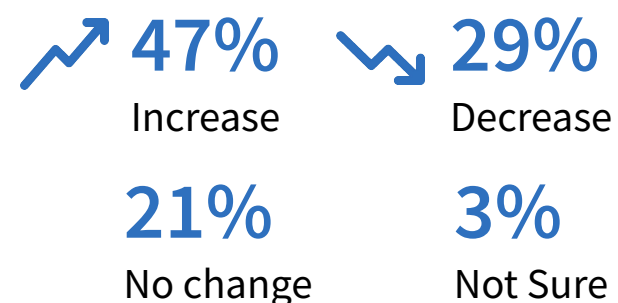
→High cost and the difficulty of tracking the ROI



SEO

Why are some law firms spending less?

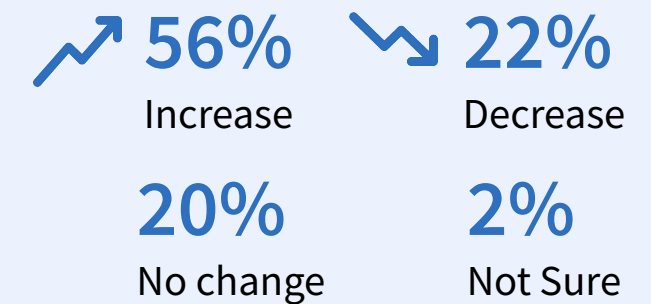
High cost and inadequate staffing



Paid advertising

Why are some law firms spending less?

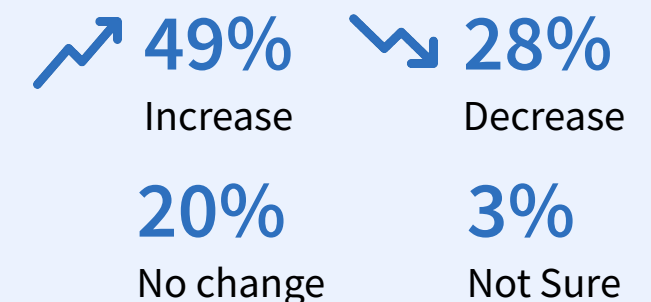
High cost and inadequate staffing



Email marketing

Why are some law firms spending less?

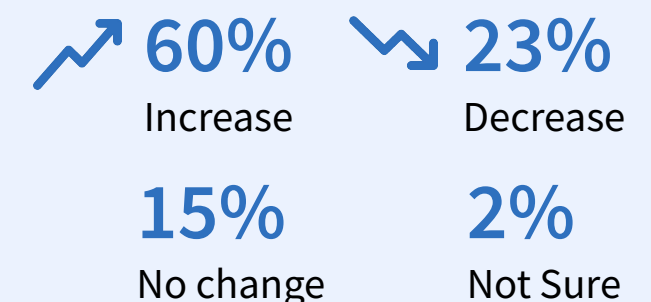
→High cost and the difficult of tracking the ROI



Social media marketing

Why are some law firms spending less?

Inadequate staff and high cost

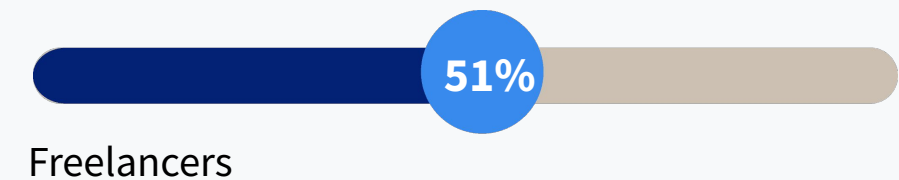
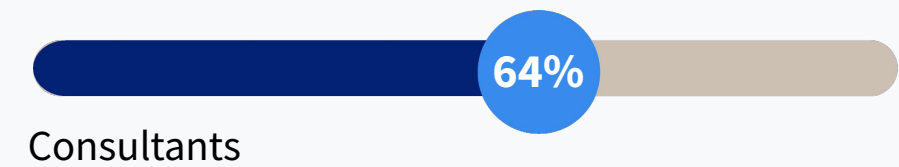
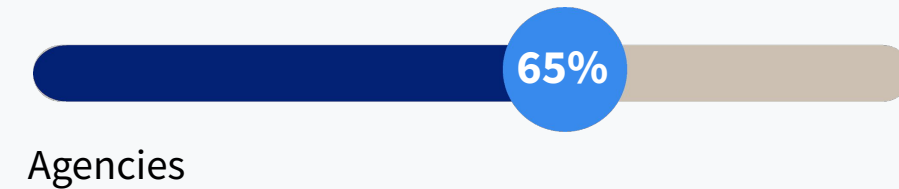


SECTION 7

The state of outsourcing and marketing agencies

Outsourcing plays a critical role for law firms of all sizes to meet their marketing needs. Not coincidentally, law firms are a critical source of revenue for agency and consulting businesses.

Who are law firms outsourcing to?

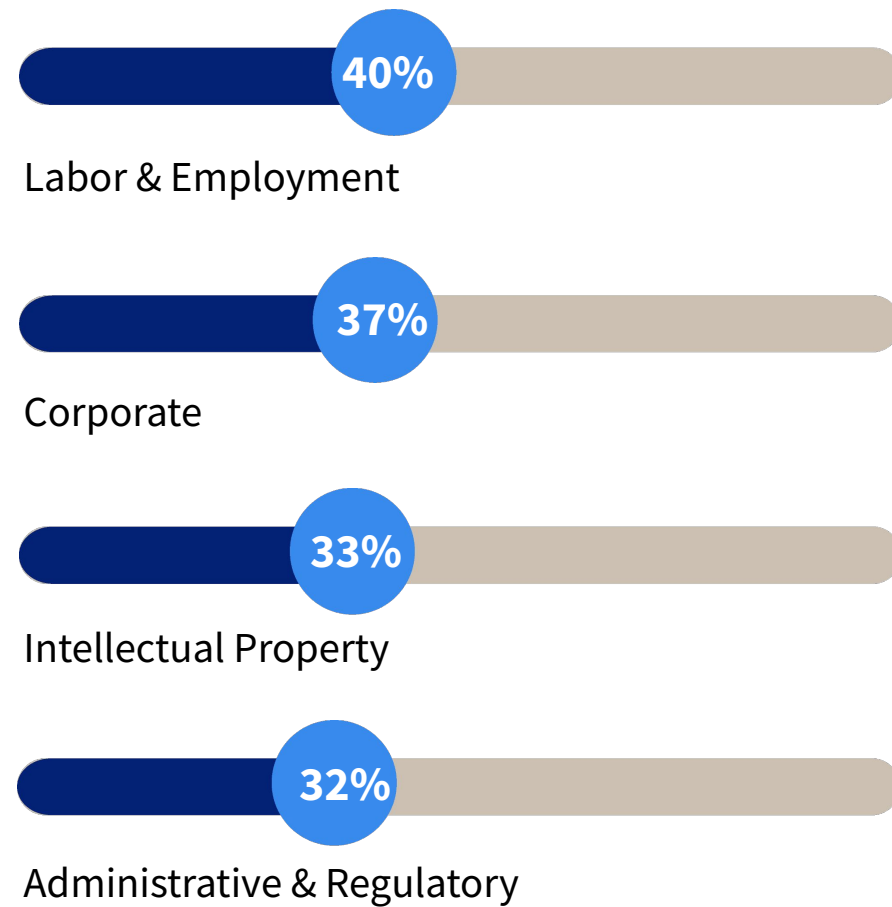


What is the impact of the legal industry on marketing agencies?

Law firms make up a sizable portion of the surveyed marketing agencies' businesses — **27% on average**. **The monthly retainer per law firm, on average, was \$17,744.**

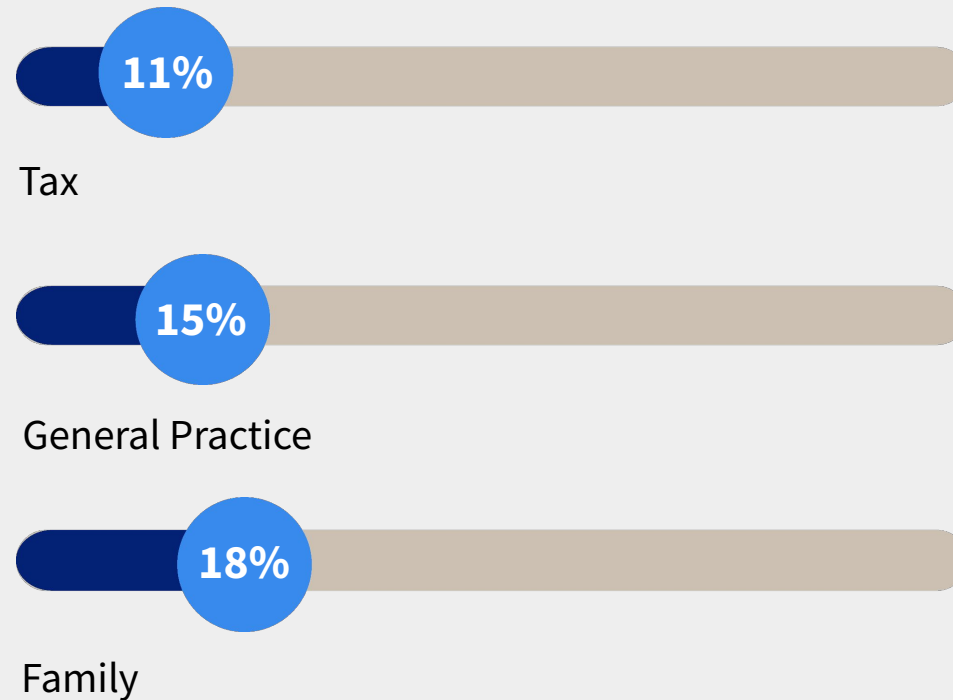
What legal specialties rely on agencies the most?

Areas of law that tend to have larger B2B practices were more likely to rely on marketing agencies' help.



What legal specialties rely on agencies the least?

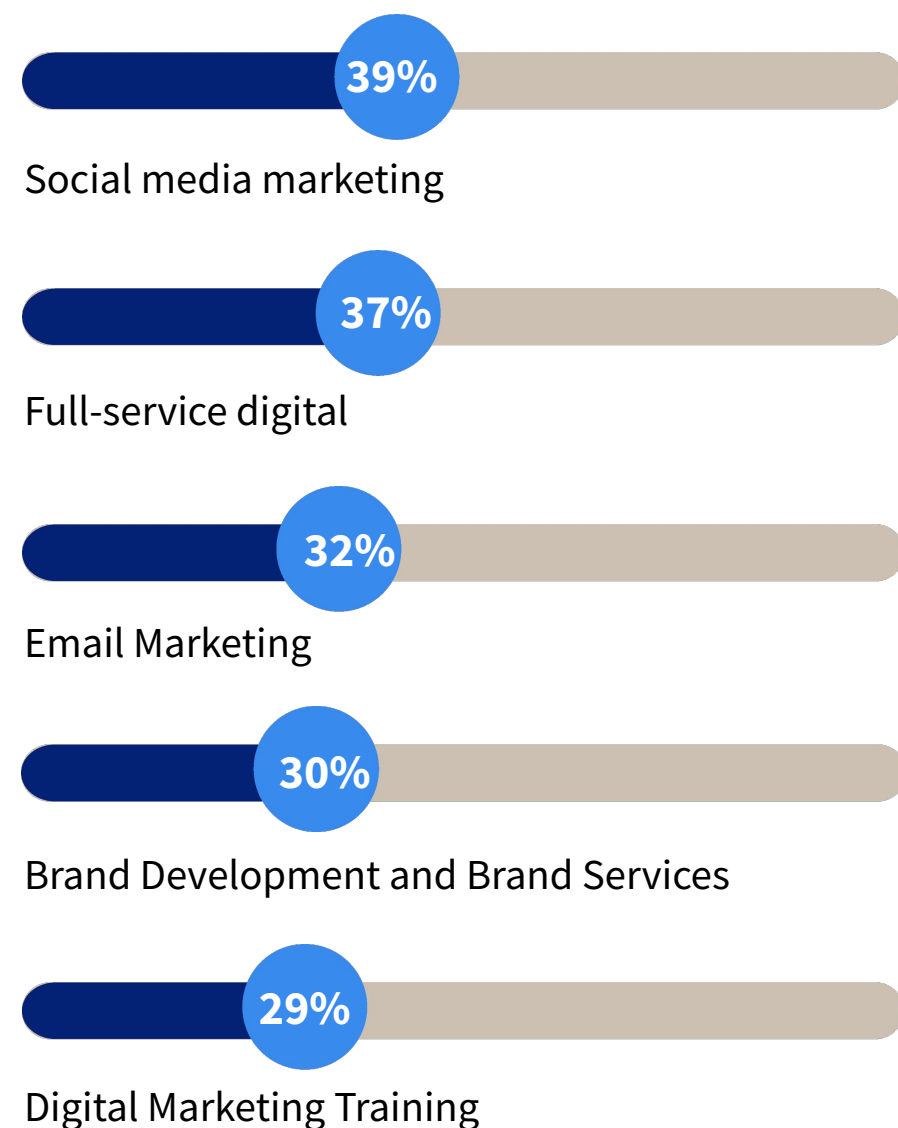
Areas of law that tend to have smaller practices that typically rely more on word-of-mouth were less likely to rely on marketing agencies' help.



What services are marketing agencies providing?

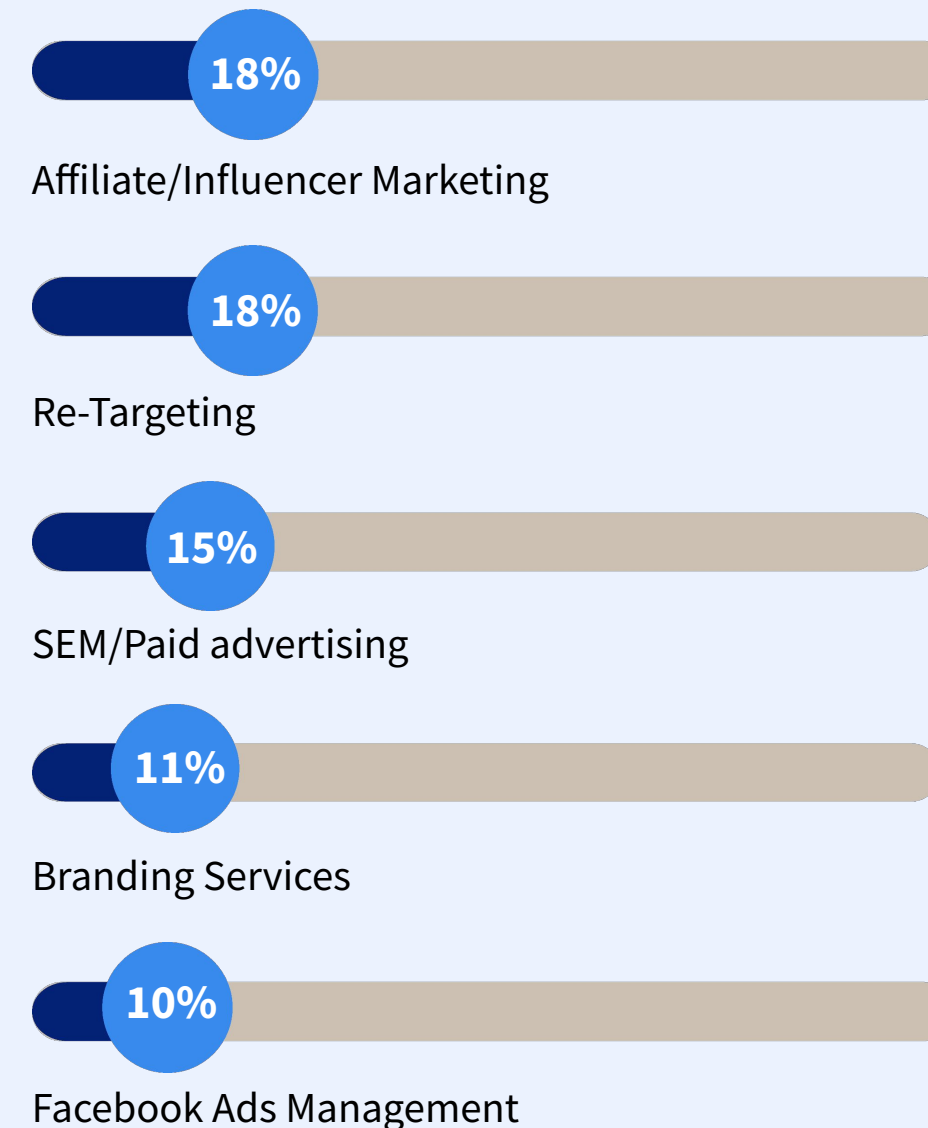
Law firms who weren't confident in their marketing strategy overwhelmingly wish their firm had a trusted partner to outsource marketing (68%). While law firms see these partnerships as helping their marketing strategy, it is apparent from the data that law firms often outsource tactical marketing activities rather than strategic.

Top marketing activities law firms are outsourcing



At the bottom of the services list are areas that many law firms might see as too costly or having low ROI. Considering how many law firms admit to struggling with reporting and analytics, they are underutilizing marketing agencies for those purposes at only 19%.

Marketing activities law firms are least likely to outsource



Why law firms don't outsource marketing activities: Only 12% of law firms said they don't outsource any marketing work. These firms cited several reasons simultaneously to explain their reluctance.

- **Privacy concerns: 86%**
- **Lack of budget: 86%**
- **Confidence in internal capabilities: 86%**

SECTION 8

Law firm marketing outlook

As law firms and marketing agencies look towards the future, what do they see on the horizon for legal marketers?

Law firms want better reporting tools and insights

Of the law firms who don't use reporting metrics to determine marketing spend, **83% of the marketers there say they do not have the tools to get the right metrics.** So what technology will law firms turn to in 2023?

83%

of marketers at firms who don't use reporting metrics to determine marketing spend say they do not have the tools to get the right metrics

Top 3 technologies for 2023

- Call tracking: **62%**
- Form tracking: **54%**
- Web/marketing analytics tools: **47%**

Marketing agencies plan to focus more on tactics than attribution

Marketing agencies look forward to many new tactics for law firms to adopt in 2023, but better analytics was not on the radar for agencies — despite it being a top law firm concern. This may be because many agencies already have reporting tools in place for their clients. Nevertheless, some law firms are clearly looking to maximize what they're doing over experimenting in new areas.

In particular, agencies are looking to new areas like visual search and personalization. Such efforts, however, may be wasted before other marketing fundamentals are shored up — especially considering the budget concerns of law firms.

- Visual Search: **40%**
- OTT Advertising: **40%**
- Voice Search: **37%**
- Personalization: **37%**
- Localized SEO: **32%**

SECTION 9

A new toolset for sustainable growth

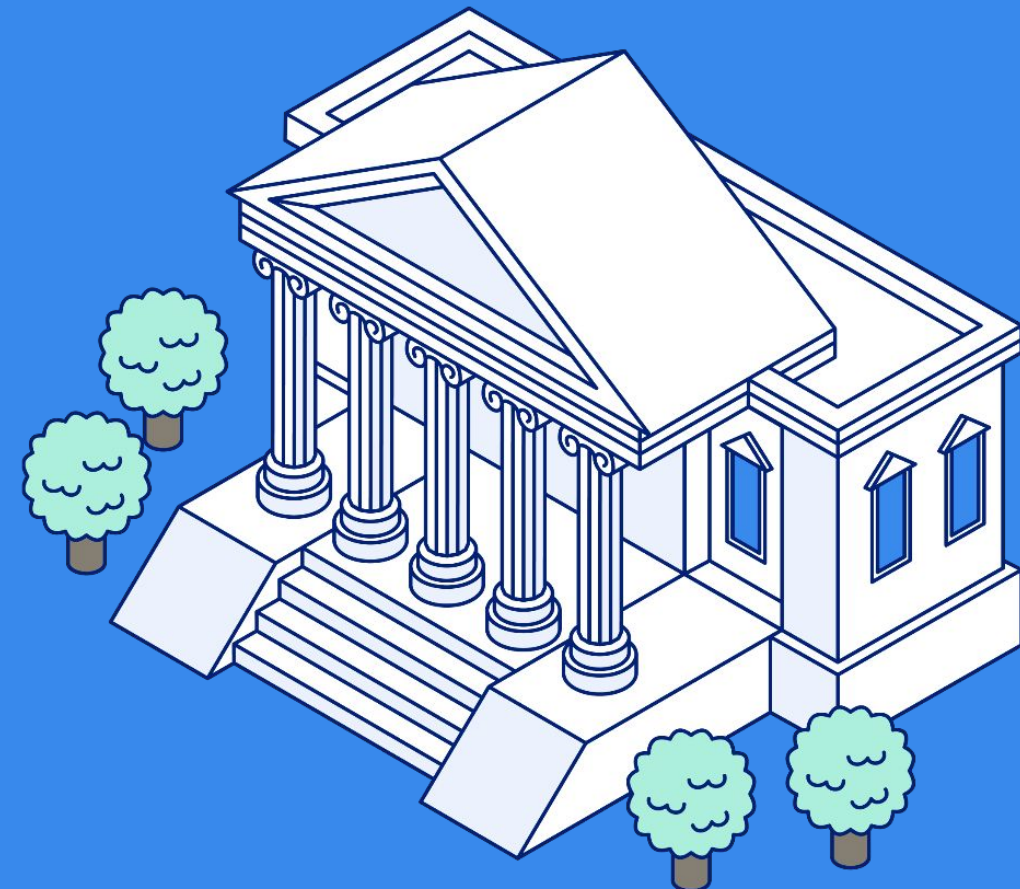
Law firms will be held back by rising costs of certain channels like PPC advertising, a lack of skilled internal personnel in certain marketing areas, and the challenge of justifying the budgeted marketing activities. As costs rise across the firm, hard choices will have to be made about where to invest in marketing for 2023.

While agencies may help fill critical skills gaps, to meet the challenges of 2023, law firms need to invest in new reporting and analytics technology that can help give insights into their in-house and outsourced activities. Platforms that integrate data from the entire MarTech stack provide the sort of insights that many law firms are missing, such as which keywords and campaigns are driving phone calls and form submissions, what messaging is resonating with prospects, and deeper ROI insights with customizable, multi-touch cost per lead reporting.

In what many view as a challenging year to come, there's no smarter investment than in technology that can make you more confident in your marketing strategy and help you spend your dollars more effectively.

Curious to see how CallRail could transform your 2023 marketing strategy with new insights?

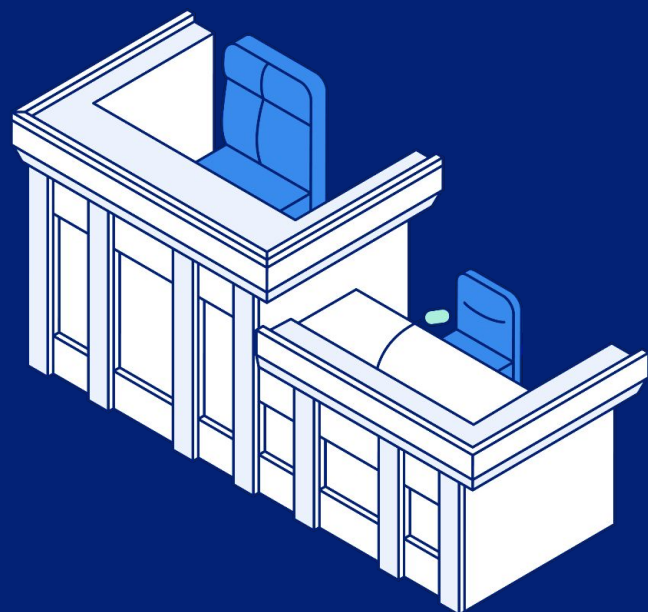
[Sign up for a free trial today](#)



SECTION 10

Methodology and demographics

This survey was conducted in October, 2022. The data comes from 600 total respondents (55% male/45% female) aged 18 years or older and living in the United States. All respondents were employed full-time (not in HR, IT, or Finance) at a law firm with 500 or fewer employees or employed full-time at a marketing agency that does legal marketing.



3%

1 - 19 Employees



27%

20-99 Employees



38%

100 - 249 Employees



32%

250-500 Employees

Job titles

The survey sampled a diverse range of job titles, with a plurality (**32%**) that included marketing in the job title.

Marketing

- Marketing Manager: **19%**
- Marketing Account Analyst: **5%**
- Director of Marketing Services: **4%**
- Marketing Coordinator: **2%**
- Content Account Manager: **1%**
- Social Media Account Manager: **1%**

Legal

- Legal Secretary: **5%**
- Managing Partner: **5%**
- Associate Attorney: **1%**
- Staff Attorney: **1%**

Sales/Business Development

Account Manager: **11%**
Business Development Manager: **10%**
Account Executive: **7%**

Support Staff

Office Manager: **17%**
Administrative Assistant: **9%**

Leadership

C-Suite/Executive: **2%**

Revenue

The survey sampled a wide range of annual revenues, but over one-fourth of the respondents work at firms generating under one million in annual revenue.

- \$0-\$499,999: **19%**
- \$500,000-\$999,999: **8%**
- \$1M-\$15M: **13%**
- \$15M-\$50M: **15%**
- \$50M-\$99M: **10%**
- \$100M-\$200M: **21%**
- \$200M-\$350M+: **13%**
- Don't know/not sure: **1%**

Areas of Practice

The leading areas of practice were Labor & Employment (36%) and Intellectual Property (34%). Many of the practices surveyed have several areas of legal practice.

- Labor & Employment: **36%**
- Intellectual Property: **34%**
- Civil Litigation: **27%**
- Corporate : **27%**
- Administrative & Regulatory: **25%**
- Criminal Defense: **23%**
- Personal Injury: **22%**
- Real Estate: **22%**
- Immigration: **21%**
- General Practice: **18%**
- Bankruptcy: **17%**
- Estate Planning: **15%**
- Family: **10%**
- Tax: **5%**