

CallRail

2022 Marketing Outlook for Law Firms



Executive Summary

Gone are the days when word of mouth was enough to keep a law firm successful. Nowadays, a digital marketing plan is a “need to have” rather than a want. But the stakes are high, ads are expensive, and competition is fierce.

As busy legal professionals, most law firms don’t have the time to develop the marketing expertise they need to stand out among their competitors while also keeping focus on leading successful cases for their clients.

How do law firms cope with these competing priorities? Where are they investing their valuable marketing dollars, and what best practices are they applying to optimize their marketing strategy for client acquisition and retention?

To answer these questions and more, we surveyed over 500 US-based employees of law firms. Our in-depth research provides a unique view of how law firms are faring with their marketing strategies, where they’re allocating their marketing budgets, which marketing channels are currently delivering the greatest or least ROI, and what tools are essential to running their marketing and practice effectively.



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Key Findings

1. Marketing is a priority for law firms.

- **49%** of firms allocate their annual budget to marketing.
- **71%** of firms say they are “somewhat” to “very involved” in marketing strategy.

2. But marketing is not without risks.

- **95%** of firms agree that because marketing is a non-billable expense, the spending risk is greater.

3. Remarketing is one of the largest earmarks in the marketing budget.

- **91%** of firms say their legal practice sees repeat clients.
- **46%** of a firm’s marketing budget is allocated to remarketing efforts, on average.
- **45%** of firms say they use remarketing to keep up with unconverted leads

4. Major channels are also majorly underperforming.

- **#1** most valuable channel is social media. It’s also the **#1** underperforming channel.
- **#1** channel for reaching out to unconverted leads is email. The **#2** underperforming channel is email.

5. Outsourcing for marketing help is common.

- **83%** of firms outsource marketing work.

6. Intake software plays a key role in helping law firms improve their marketing efforts

- **98%** of firms say it allows them to make better marketing decisions.
- **65%** of firms say it helps them close more clients.
- **79%** of firms say it helps them waste less time.
- **77%** of firms say it improves communication with their existing clients.

Lead Generation

Generating leads is important for attorneys because it's one of the primary ways they get more clients and generate more revenue. So which channels and marketing strategies are currently bringing in the most leads?

Online	Offline
84% Organic social media	40% Direct referral of former clients
42% Search engines	40% General word of mouth/name recognition
41% Professional directories	26% TV advertisements
33% Online review sites (like Yelp)	22% Print advertisements
18% Owned content (blog posts, eBooks, informative content on website, etc.)	15% Professional legal associations
13% Online text or display advertising	13% Radio advertisements
10% Internet articles or blogs	13% Billboard advertisements
7% Podcast advertisements	

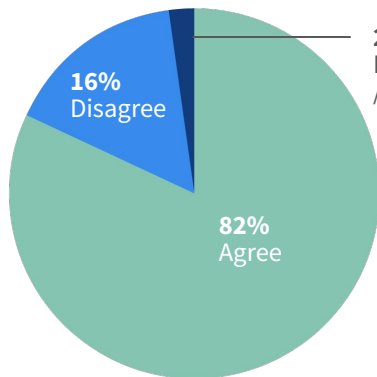
Lead generation efforts often stalled by costs

Of those law firms who say clients find them through search, 78% say they engage in paid search marketing. However, despite being a top channel for lead generation, the majority of law firms (82%) don't think the ROI is acceptable, saying it's too expensive.

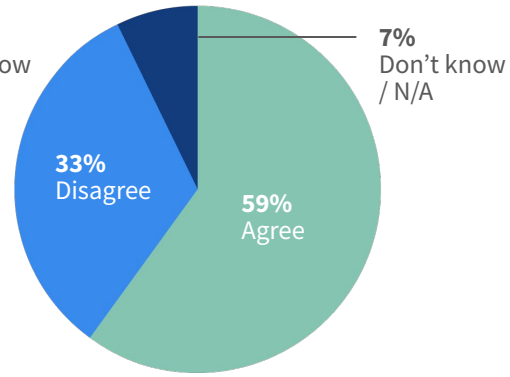
78% of firms use paid search marketing, but **82%** don't think the ROI is worth it.

Additionally, while 59% of law firms say they would like to spend more on marketing strategies like paid search, they also acknowledge that they don't have the budget to compete with larger firms for priority. Entertainment law services were almost 20% more likely to feel this way than other types of law firms.

Law firms that engage in paid search marketing say the following:



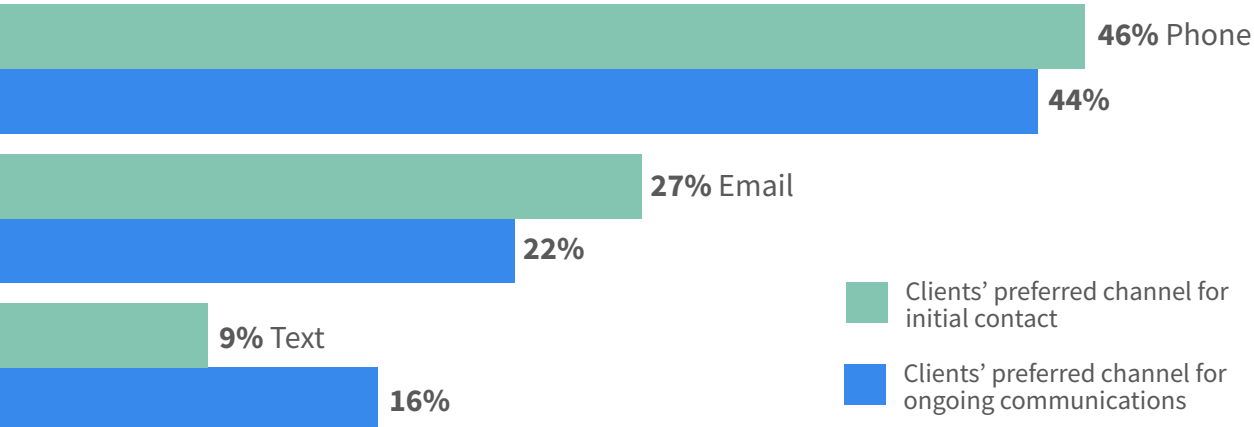
Paid search marketing is too expensive to get good ROI



My law firm would like to spend more \$ on paid search, but we don't have the marketing budget to compete with larger firms.

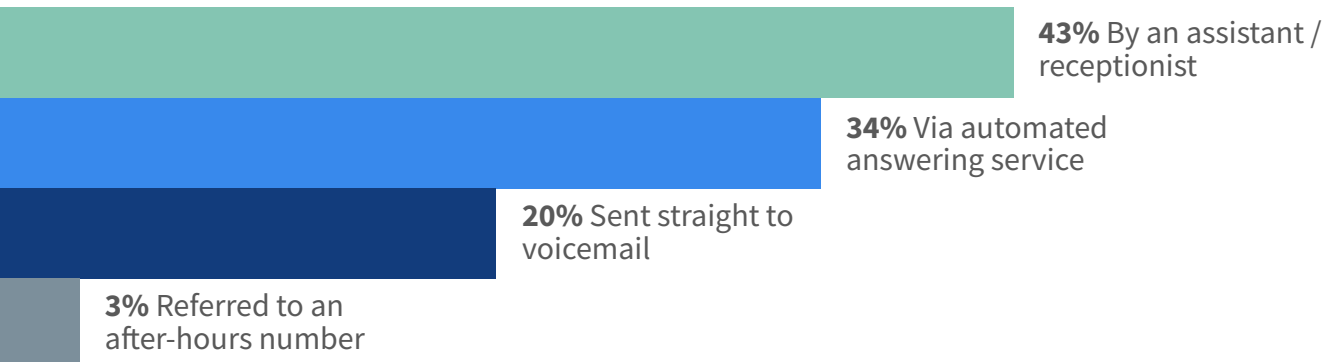
Law firm clients' most-preferred communication channel is the phone

Law firms report that clients most often reach out first by phone (46%) with email (27%) coming in a distant second place. This held true not just for the initial contact, but for ongoing communication as well.



But when the lead calls do come in, potential clients don't always reach a receptionist. While 43% of law firms say they use a receptionist, 34% say they answer calls via an automated answering service, and 20% say they send them straight to voicemail.

When leads come in by phone, how are they usually answered?



Lead response times result in lost business

Some types of law require a great deal of sensitivity when dealing with potential clients. These leads often contact a law firm during periods of extreme personal hardship—divorce, major accident, criminal charges—and it is crucially important to make them feel reassured during intake.

Yet, law firms report that it takes them an average of 5 hours to respond. While 99% of firms feel clients are usually satisfied with this response time, it is still costing them business given the time-sensitive nature of their work.

The high cost of slow response times

46

Average number of clients firms lose per year

\$200k

Average revenue firms lose annually

How law firms can respond faster to leads

One way to combat the issue of slow response times is by using a business communications platform like [CallRail's Lead Center](#). By using Lead Center, which centralizes all client communications—calls, texts, live chat, and more—in a single inbox, firms can better keep track of client communications and capture leads they might have missed out on otherwise.

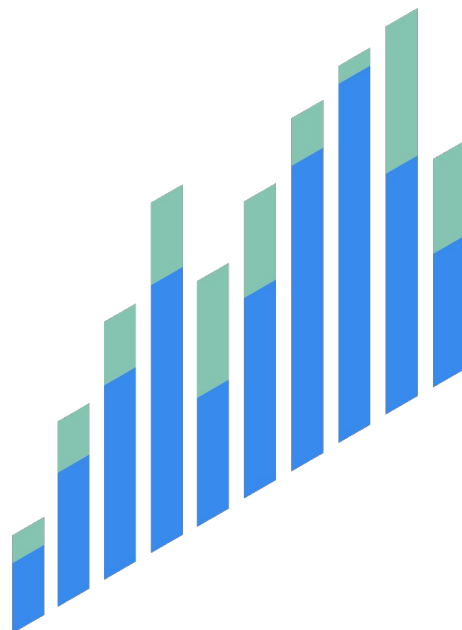
Law firms often prioritize existing clients over new leads

In a business where rapport and trust are crucial elements, it's not surprising that law firms report an average of 5 conversations with a lead before accepting a client or case. However, because law firms are busy places, 97% report that "often" or "sometimes" they prioritize existing clients over following up on new leads.

My law firm has to prioritize existing clients over following up on new leads



96% of law firms say they are much more likely to follow up on leads with a clear ask and detailed background

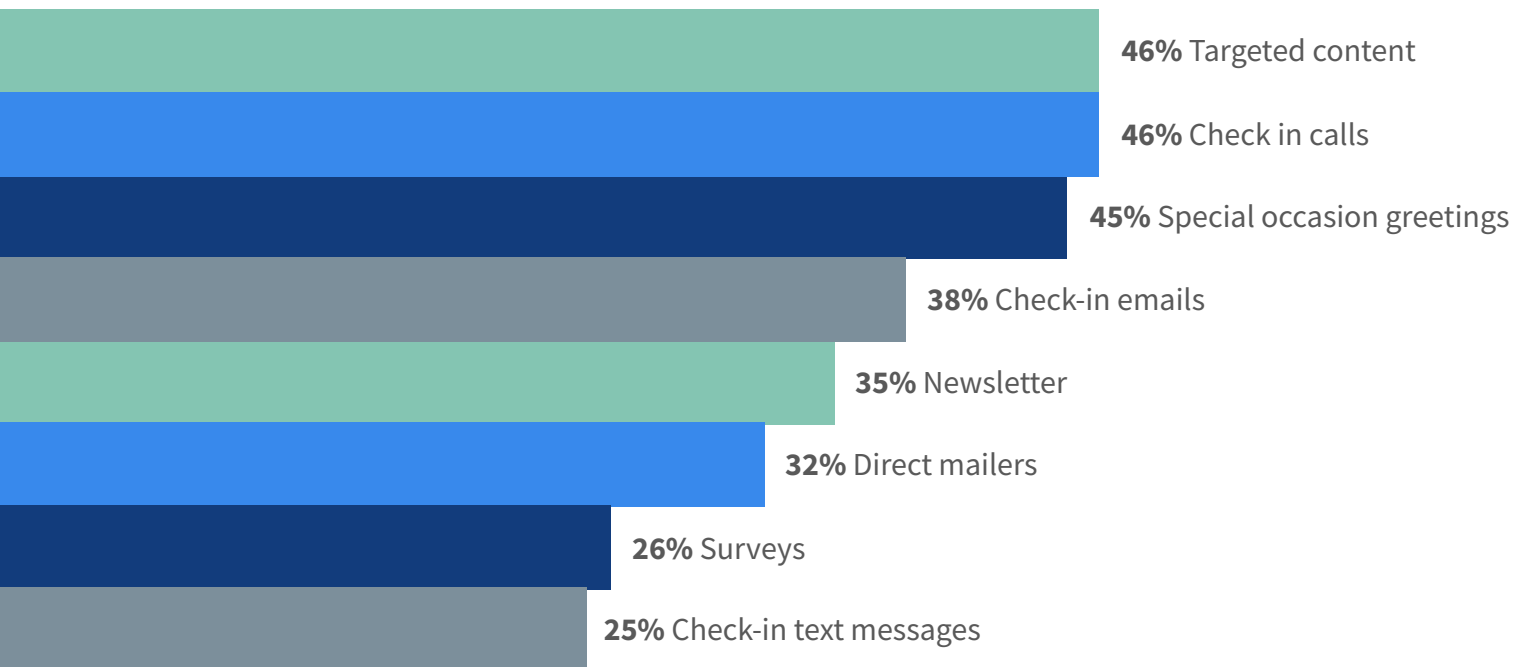


Engagement and Retention

Remarketing is a strategy that many law firms deploy to both keep in touch with current clients and unconverted leads. Of those that use remarketing tactics, they report allocating 49% of their marketing budget to this part of the sales funnel. The most common remarketing tactics include the use of targeted content (46%), check in calls (46%), and special occasion greetings (45%).

- **91%** of law firms say their area of law generally sees repeat clients
- **45%** of law firms use remarketing to keep in touch with unconverted leads

Remarketing tactics used by law firms



Marketing Performance

Legal marketing comes with its own set of unique challenges. While law firms are invested in marketing, with 71% of law firms saying their firm is “somewhat” to “very involved” in marketing strategy, they’re still struggling to spend their marketing dollars efficiently and effectively.

- 71% of law firms are “somewhat” to “very involved” in marketing strategy

Website optimization is the biggest online marketing strategy challenge for firms

Law firms face a number of challenges with their online marketing strategy, but the biggest challenges revolve around website optimization (51%), mobile optimization (49%), and social media management (37%).

What are the biggest challenges your firm faces when it comes to online marketing strategy?

51%

Website optimization

49%

Mobile optimization

37%

Social media management

33%

Choosing the best analytics tools

28%

Competing with larger firms' SEO budgets

22%

Measuring ROI on marketing initiatives

22%

Attribution

20%

Keeping CRM data clean

20%

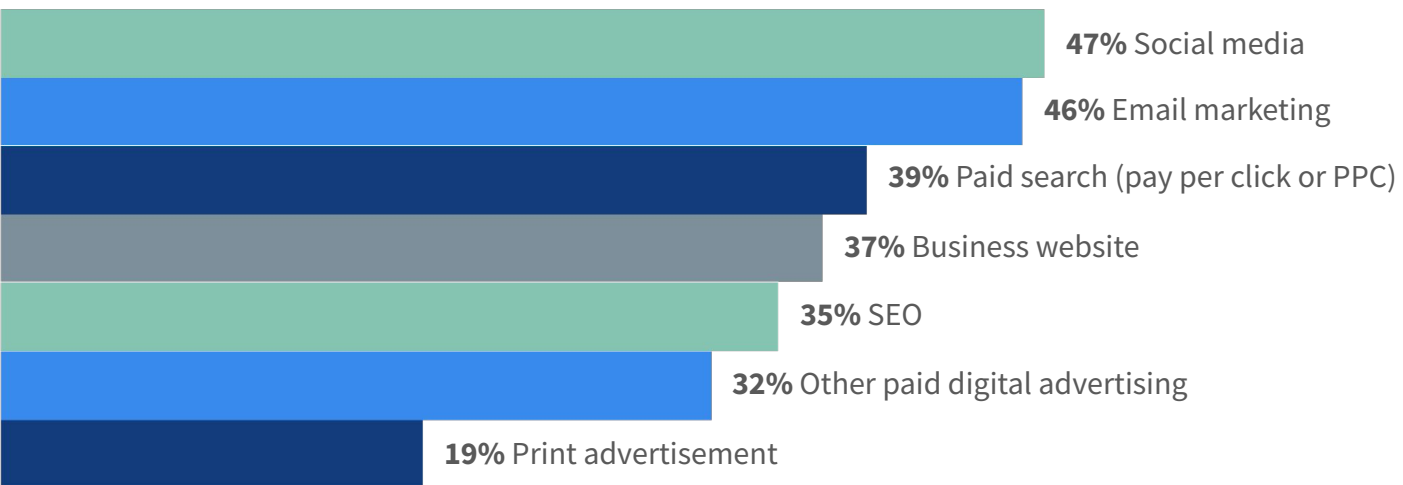
Getting clients to leave reviews

Most lead channels are underperforming

Another challenge law firms face is that even their most valuable channels are underperforming. Despite social media being the most valuable channel for providing leads, with 48% ranking social media as the #1 channel through which potential clients find their law firm, they also ranked social media as the #1 worst performer.

But almost every channel was considered underperforming by almost 20% or more of law firms.

Which lead channels, if any, do you believe to be underperforming?



Outsourcing marketing improves performance

Marketing isn't a core focus for law firms, so it's not surprising that 83% of respondents say their law firm outsources marketing work so they can focus on what they're good at.

Most commonly outsourced marketing activities	Least commonly outsourced activities
56% SEO marketing	28% Business website
51% Paid digital advertising	37% Email marketing
47% PPC	41% Social media marketing

Areas where law firms do more of the marketing in-house also have the lowest performance

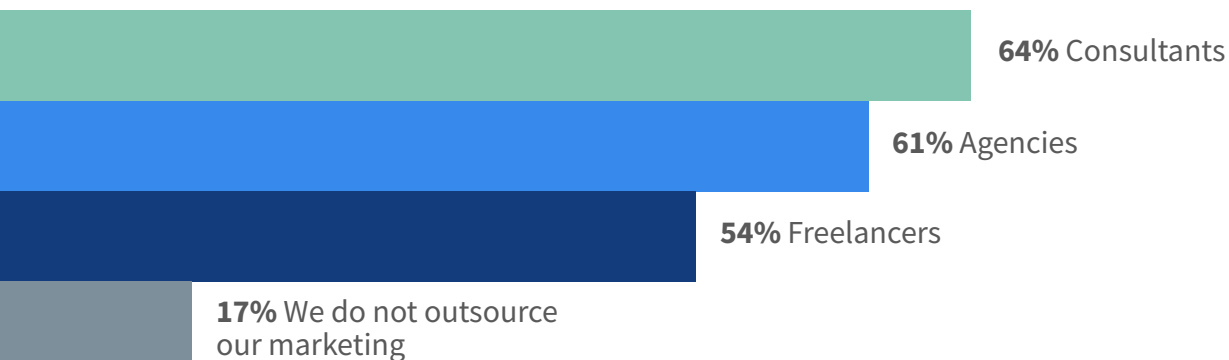
One interesting finding is that in the areas where law firms say they are seeing the worst performance, they are also often doing more of the work in-house. Not only was website optimization the biggest challenge firms faced, but it was also the least outsourced marketing activity. Social media was also one of the three least outsourced marketing activities and was ranked as the top underperforming channel and one of the biggest marketing challenges overall.

- #1 marketing activity done in-house is the website.
#1 challenge face by firms is website optimization.
- #3 marketing activity done in-house is social media.
#1 underperforming channel is social media.

Firms turn to a mix of providers for marketing help

To help with outsourcing, law firms don't lean strongly to one type of vendor. While consultants were the most common type of provider hired (64%), agencies (61%), and freelancers (54%) weren't far behind in how often they were used.

Does your firm outsource any marketing work? If so, to whom?



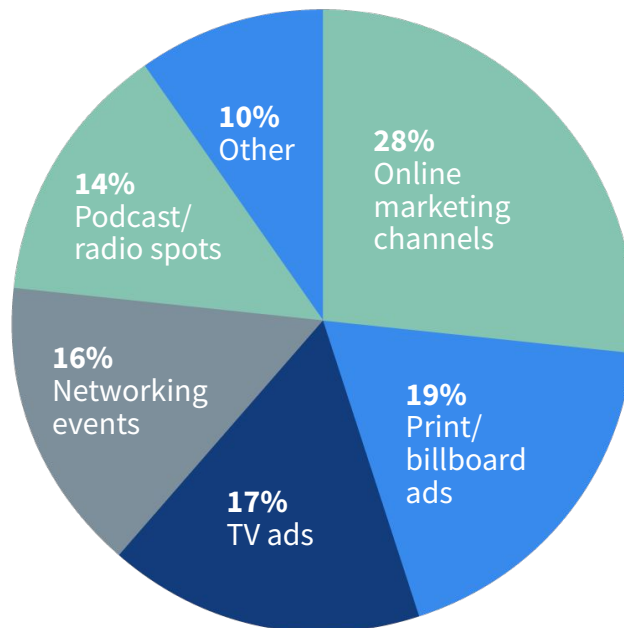
Marketing Spend

It's clear that law firms see value in marketing. On average, firms allocate 49% of their annual budget toward marketing. The biggest portion of this marketing spend goes toward retargeting (49%). However, they also agree spending on marketing is risky.

- **95%** of firms agree that since the marketing is non-billable the spending risk is perceived to be greater and that it is even more important to use those dollars effectively.

As far as which channels law firms are putting their marketing budget toward, on average, they are allocating 28% to online marketing channels, 19% to print and/or billboard advertising, 17% to TV advertising, 16% to networking events, 14% to podcast/radio spots, and 10% toward other marketing activities.

What percentage of your firm's marketing budget goes toward each of the following channels?

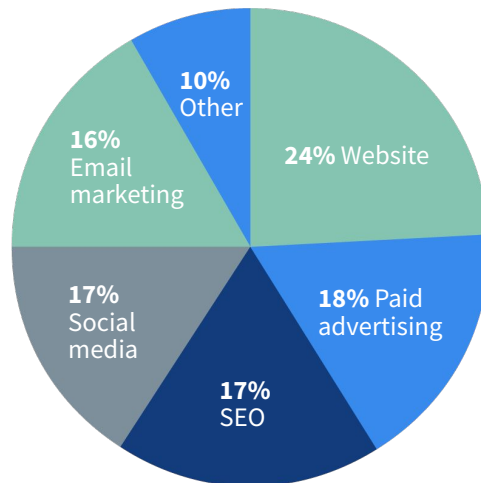


Top online channels law firms are investing in

Of the online channels law firms can allocate budget toward, the most popular channels are website (24%), paid advertising (18%), and SEO (17%). Notably, 66% of respondents said their firm plans to increase their website budget moving forward and 48% of respondents said their firm plans to increase the amount of online marketing budget allocated to each of these channels.

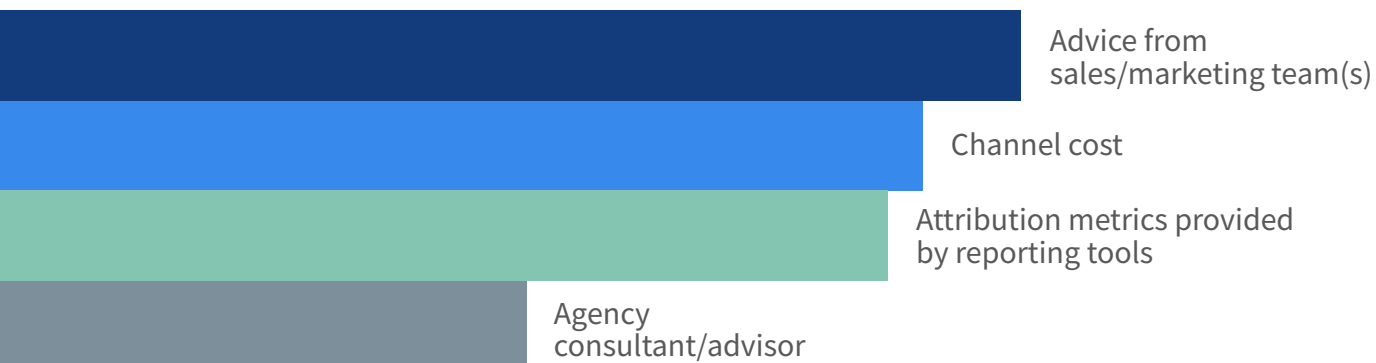
- 66% of firms plan to increase their website budget moving forward.
- 48% of firms plan to increase the amount of online marketing budget allocated to popular channels.

How does your firm split its online marketing spend?



How marketing spend gets decided

Law firms say they decide various marketing allocations based on attribution metrics provided by reporting tools, channel costs, and advice from their internal sales and marketing team.



Reporting and Tools

Law firms rely on technology to help them run their marketing operations more efficiently and effectively. Three key tools firms use are intake software, marketing attribution reporting tools, and practice management software.

Intake software proves its value in multiple ways

Of the 85% of law firms who use intake software, 98% say it allows them to make better marketing decisions. Moreover, 65% say they close more clients, 79% waste less time, and 77% have improved communication with their existing clients since using intake software.

→ 85% of respondents say they use intake software.

Biggest benefits of intake software

98%

of firms say it allows them to make better marketing decisions.

65%

of firms say it helps them close more clients.

79%

of firms say it helps them waste less time.

77%

of firms say it improves communication with their existing clients.

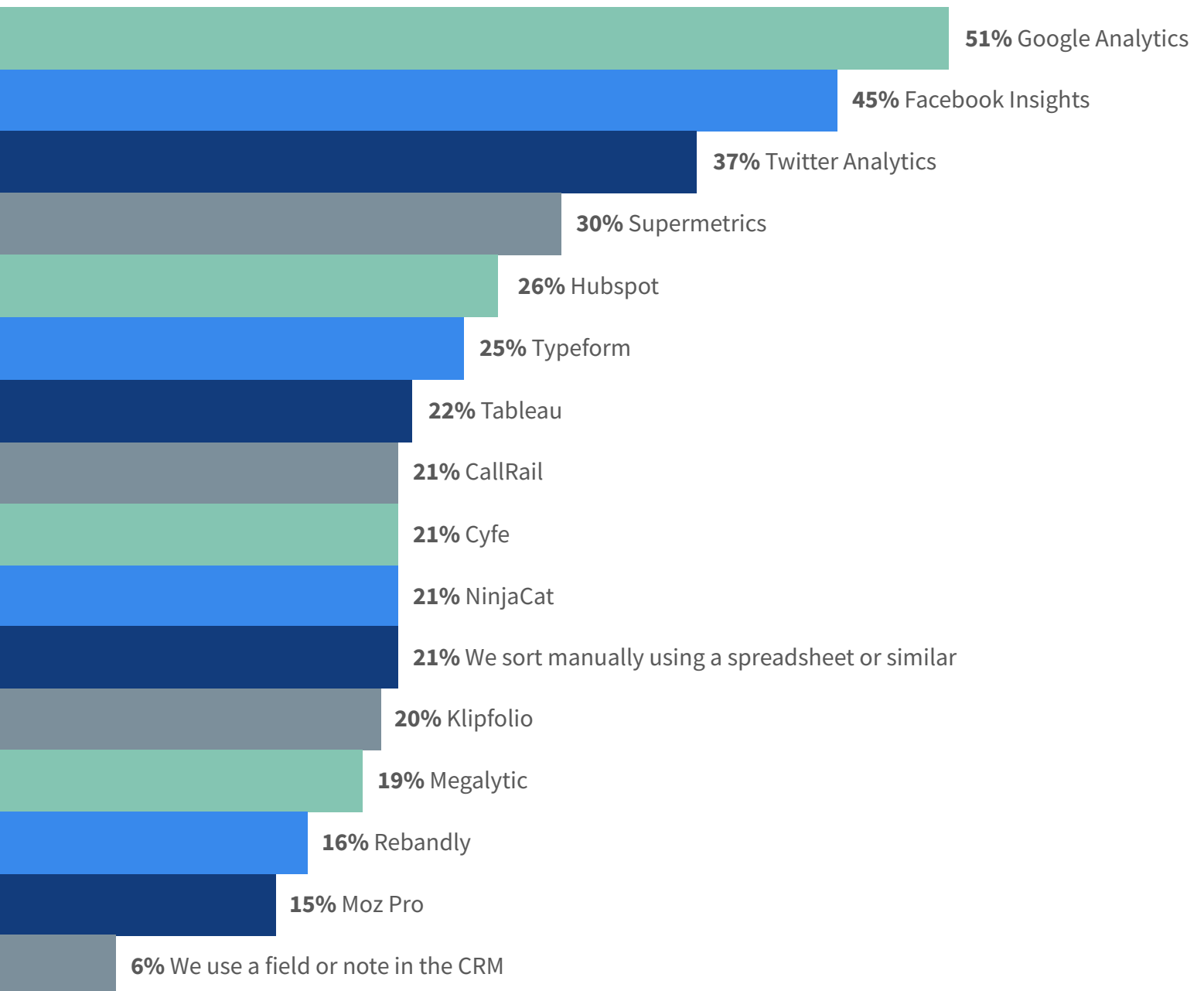
CallRail Makes Attribution Simple

Law firms can ensure that they're accurately attributing the right channels and campaigns, regardless of which attribution model with CallRail. You can track the referring source of visitors who visits your website with [dynamic number insertion](#) and filter your reports by landing page to see which pages on your website converted your lead. In [offline advertisements](#), you can place a unique phone number on billboards, bus wraps, and wherever else you do business and receive detailed information on the phone leads originating from your real-world campaigns.

Attribution tools are critical to improve marketing spend decisions

Attribution is one of the top ways firms decide how to spend their marketing budget. The most common tools firms use for attribution reporting are Google Analytics (51%), Facebook Insights (45%), and Twitter Analytics (37%).

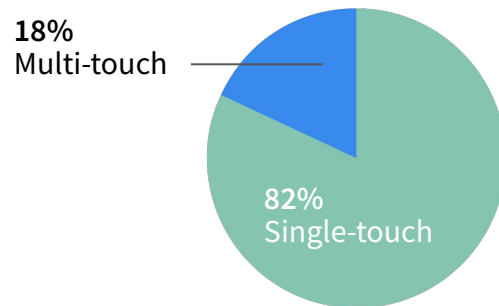
What reporting tool(s) does your firm use for reporting metrics to determine marketing spend?



Most firms are dialed in on how their attribution model works

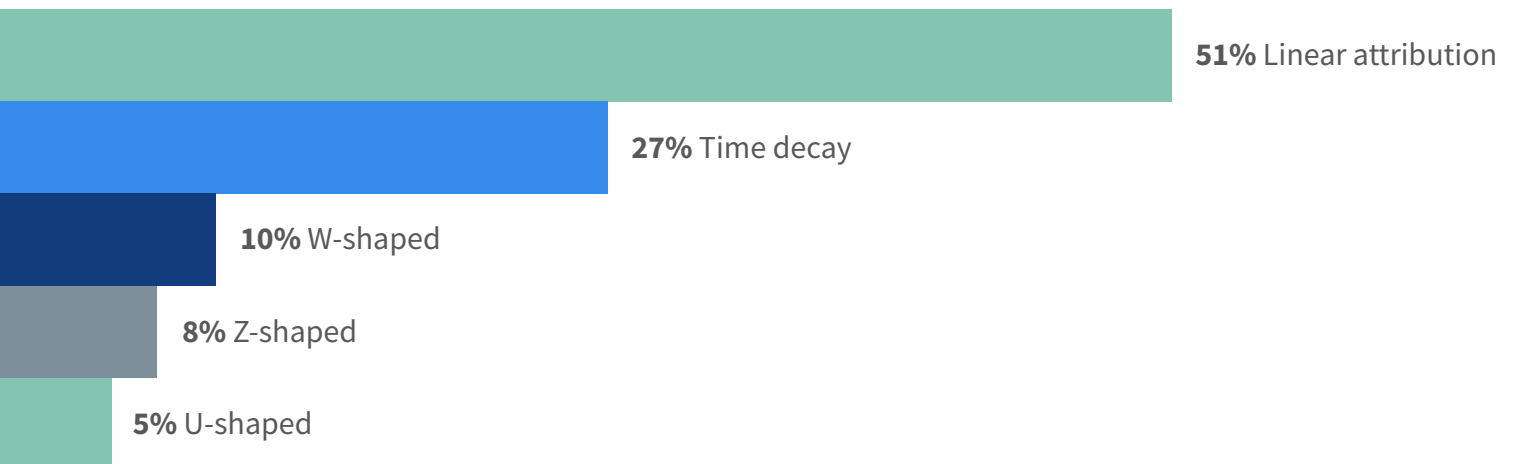
Given how much weight law firms put in attribution reporting to make key marketing spend decisions, it's not surprising that most law firms (85%) say they know which attribution method they use. Chiefly, 82% use single-touch and 18% use multi-touch.

Does your firm use a single-touch or multi-touch attribution model?



Of those who use a multi-touch model, 51% use linear attribution, 27% use time decay, and 10% use w-shaped attribution models (to learn more about different attribution models and when to use which one, [read this article](#)).

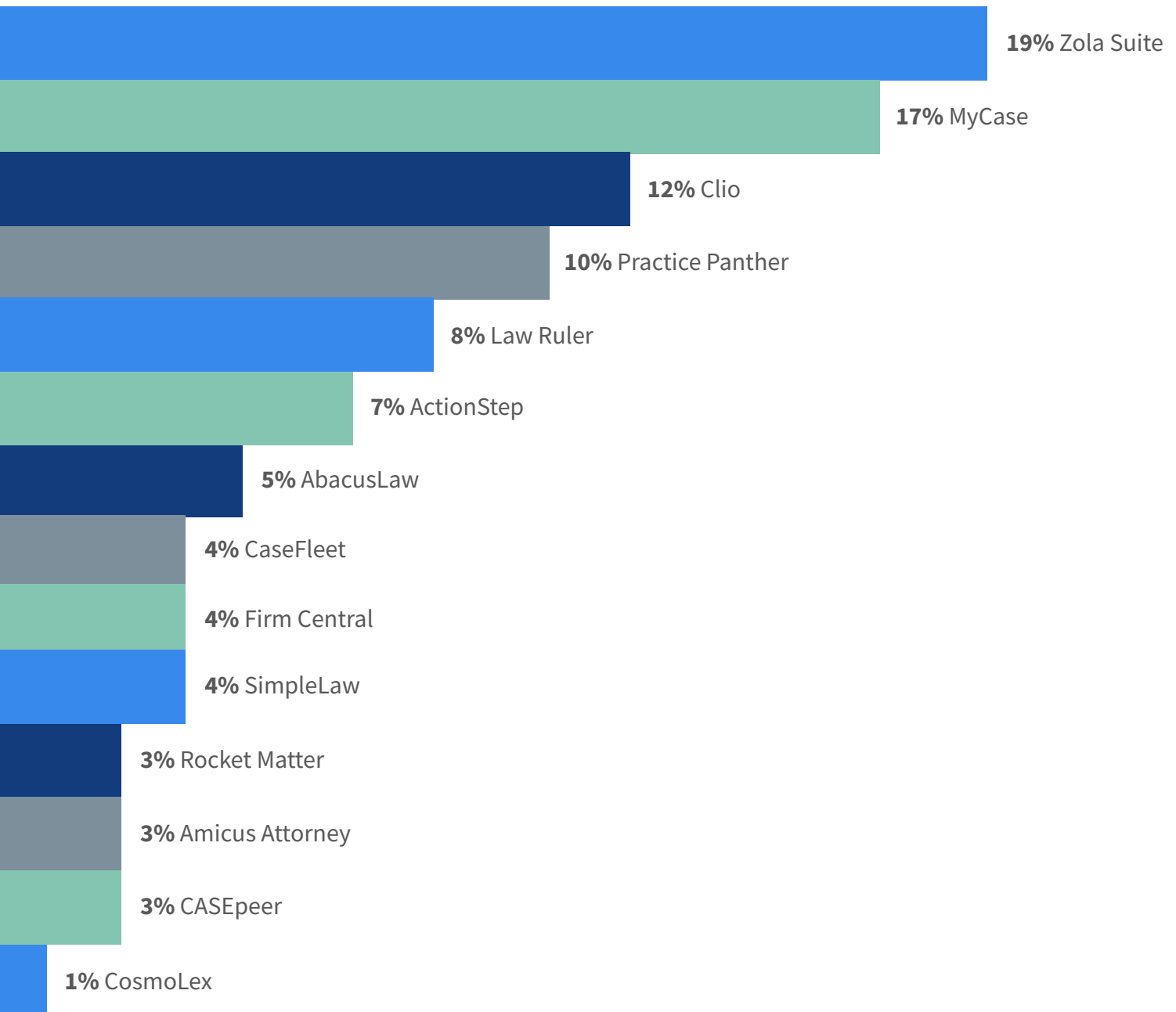
What specific multi-touch model does your firm use?



Integration between practice management software and marketing software is essential

Law firms rely on practice management software such as Zola Suite (19%), MyCase (17%), and Clio (12%) to run their firms.

What practice management software does your firm use?



They also count on other software solutions, including payment processing software (67%), file management (64%), timekeeping and billing software (46%), and productivity software (24%).

Popular software law firms use

67%

of firms use payment processing software.

64%

of firms use file management software.

46%

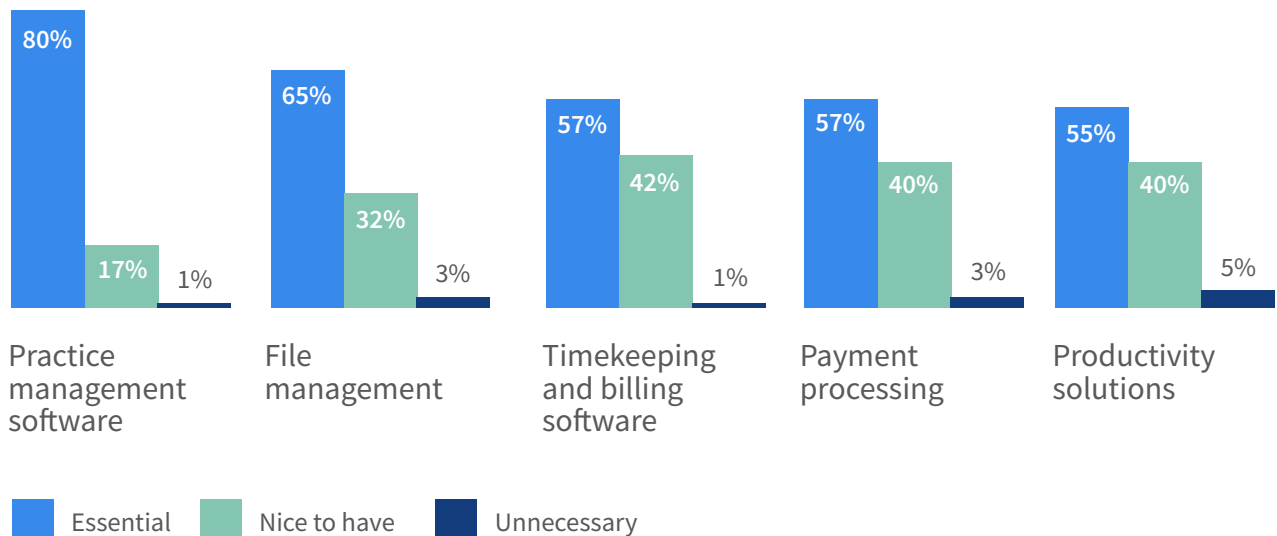
of firms use timekeeping and billing software.

24%

of firms use productivity software.

But firms also say they need their marketing software to integrate with these solutions, especially their practice management.

Please rank the importance of marketing software being capable of integrating with these solutions



Privacy Concerns

Law firms have an ethical obligation to secure client information and maintain client confidentiality. Consequently, 98% of small firms agree that protecting sensitive client information is paramount. Most firms (88%) also agree protecting client information is necessary for their business' reputation and solvency.

→ **98%** of small firms agree that protecting sensitive client information is paramount.

Firms are especially worried about breaches and ransomware attacks

81%

of firms agree a breach could open their business up to malpractice lawsuits

81%

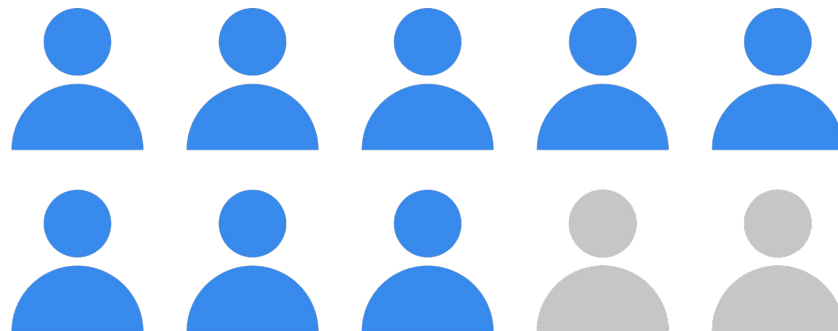
of firms are worried about ransomware attacks

79%

of firms agree that being locked out of their data would paralyze their business operations.

8 in 10

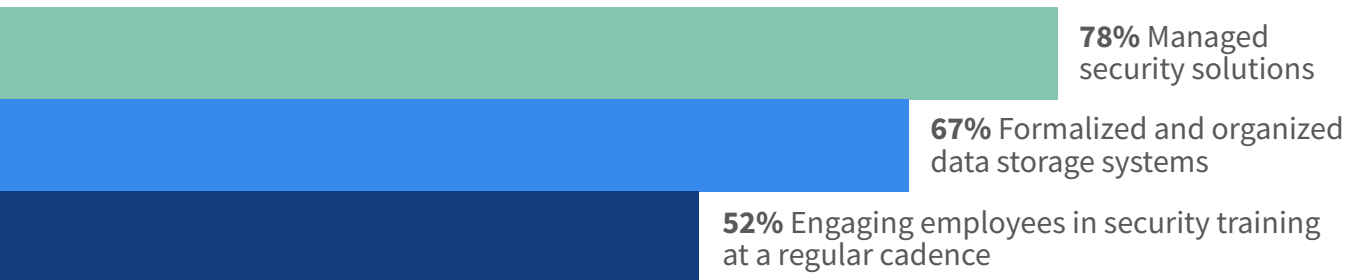
Firms have held back in automating their business due to privacy concerns.



Top areas firms are investing in to safeguard clients' privacy

Managed security solutions (78%), formalized and organized data storage systems (67%), and engaging employees in security training on a regular basis are the primary ways law firms try to ensure clients' data remains secure.

How does your firm safeguard client data?



Despite concern, law firms still need to improve security

However, despite privacy concerns and measures in place to protect client privacy, 77% of law firms divulge that their firm has accidentally leaked client info (via malware, user error, etc.) in the past.

77% of law firms say they've accidentally leaked client information.



To Remove Marketing Risk, Firms Need Better ROI Insights

Despite the challenges law firms clearly have in achieving strong ROI from their marketing spend, many continue to see the value of investing in digital channels, especially those that are underperforming, such as web optimization, social media marketing, paid advertising, and email marketing.

66%

plan to increase
budget for
business website
optimization

60%

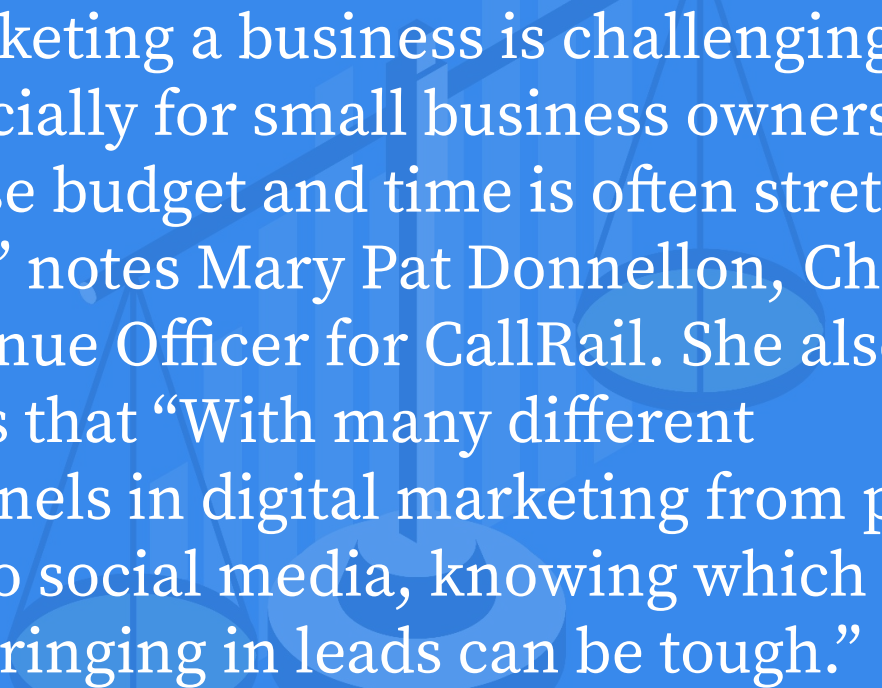
plan to increase
budget for social
media marketing

48%

plan to increase
budget for paid
advertising and/or
email marketing

For those that don't plan to increase budget, the main reasons cited were the high cost of investment and low ROI or difficulty tracking the ROI.

“Marketing a business is challenging, especially for small business owners whose budget and time is often stretched thin,” notes Mary Pat Donnellon, Chief Revenue Officer for CallRail. She also notes that “With many different channels in digital marketing from print ads to social media, knowing which ones are bringing in leads can be tough.”



“Marketing a business is challenging, especially for small business owners whose budget and time is often stretched thin,” notes Mary Pat Donnellon, Chief Revenue Officer for CallRail. She also notes that “With many different channels in digital marketing from print ads to social media, knowing which ones are bringing in leads can be tough.”

But law firms can improve their marketing performance and increase their ROI on their digital marketing spend by investing in a trusted marketing analytics solution and leveraging a business communications platform that can consolidate all communications into a single inbox.

With a platform like CallRail, which offers advanced insight into what keywords and campaigns are driving phone calls, firms can allocate their budgets to the channels driving their best leads. This approach not only reduces marketing risk, but as Donnellon notes, “lawyers can streamline their marketing spend and rest assured that they’re driving the highest-quality leads to their business.”

CallRail

Interested in reducing
your marketing risk
and achieving a
greater ROI from your
marketing spend?
You need CallRail.

[Start Free Trial](#)

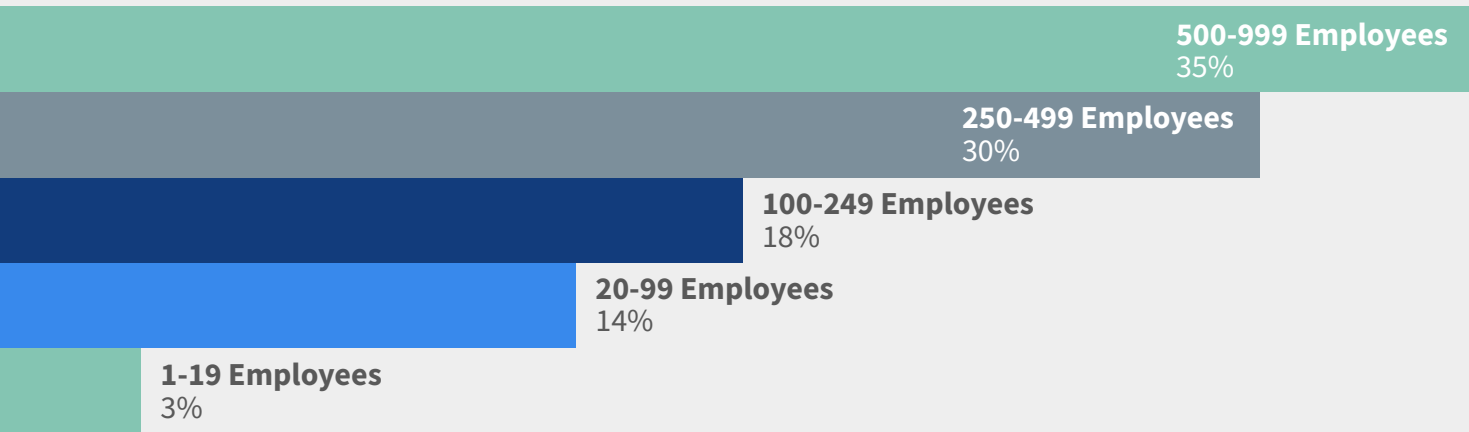


Methodology and Demographics

Conducted in December 2021, this survey gathered insights on law firm marketing strategies and practices from 508 US-based employees of law firms that commission fewer than 1,000 employees nationwide.

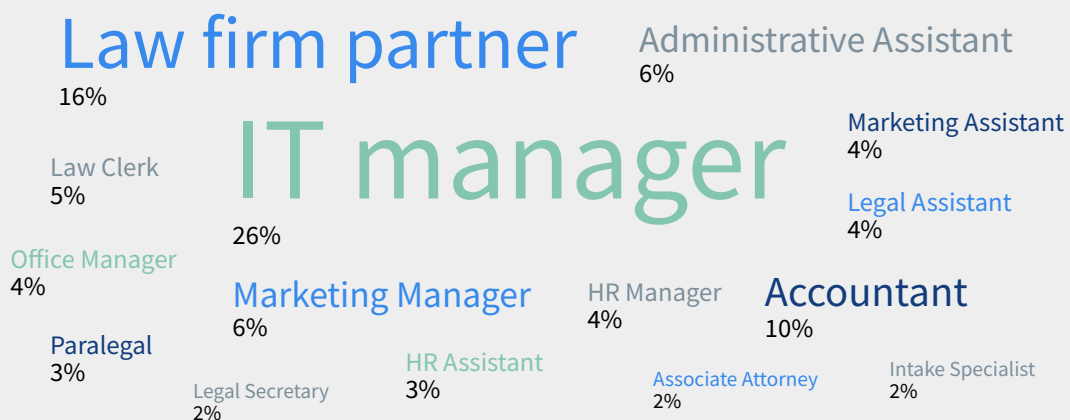
Size of law firm

Overall, almost 65% of respondents worked at law firms surveyed with 250 to 999 employees.



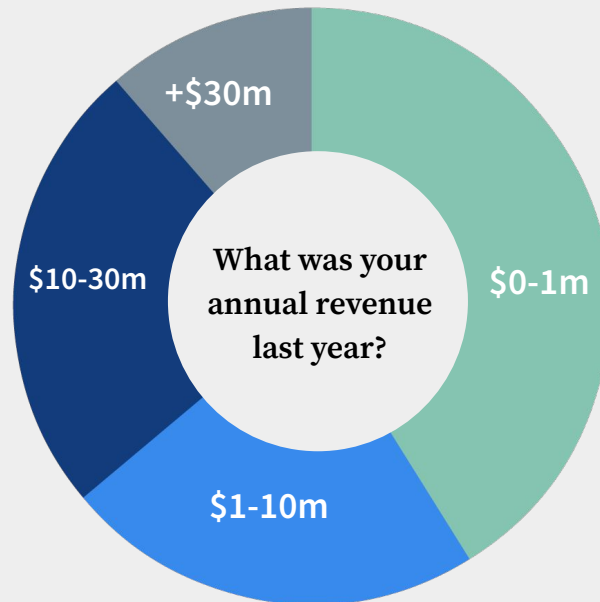
Job title

There was a lot of diversity in survey respondents in terms of job title. However, the top two titles that responded were IT managers (26%) and law firm partners (16%).



Revenue

While 41% of law firms had a revenue of less than one million, over 69% had revenues of a million or more—with the highest grossing firms achieving revenues of \$200-250 million mark.



Areas of practice

Overall, there was significant variety in the types of law firms who participated in the survey with the greatest number of respondents from civil rights law (36%) and family law (33%).

