

Trends in HR Marketing:

HR Buyers' Behavior: What to Expect in 2010



Abstract

This research report from HRmarketer.com, *Trends in HR Marketing: HR Buyers' Behavior: What to Expect in 2010*, is the fourth report in an annual series started in 2006. The report provides information on trends and best practices for marketing to the human resource and benefits marketplace, and more specifically on the purchasing behavior of the typical HR buyer. It includes an analysis of HR buyer research and purchasing trends and their budgetary priorities in 2010.

This report also includes recommendations for human resource and employee benefit suppliers based upon what we have learned about the needs and information usage characteristics of HR buyers. This analysis, combined with an understanding of how important best practices content, online visibility and social media have become for HR suppliers, provides readers with a better understanding of their target market and the best marketing tools with which to reach them.

The data in this report is based on responses from human resource and employee benefit buyers, hereafter referred to collectively as "HR buyers," collected during October and November of 2009. The key trends outlined in this report tell us the following about HR buyers and their needs going into 2010:

- HR buyers turn to the Internet first when beginning their search to identify vendors for HR products/services they are interested in purchasing. For the first time since we've done these reports, the Internet surpasses peers in our survey;
- HR buyers value industry content (e.g., white papers) and other organic online sources of information as a primary source of product/service information much more than ever before – more than print or online media advertising;
- Thirty-one percent of HR professionals report their company will hire 10-20 percent more staff in 2010;
- Twenty-six percent of HR buyers plan on increasing their budgets for HR-related products and services in 2010;
- As a group, HR buyers plan on increasing their budgets by 25 percent in 2010 for corporate social networking tools, employee wellness programs, management and leadership development initiatives, performance management systems, and other training and development programs;
- Key "pain points" for HR in 2010 include assessments and selection, applicant tracking and talent management systems, coaching and mentoring, corporate social networking, I-9 compliance and E-Verify, employee self-service, and work-life programs;
- HR buyer participation in social media and the consumption of social media-delivered content such as blogs, social networking sites, white papers, research reports, podcasts and webcasts continues to increase;

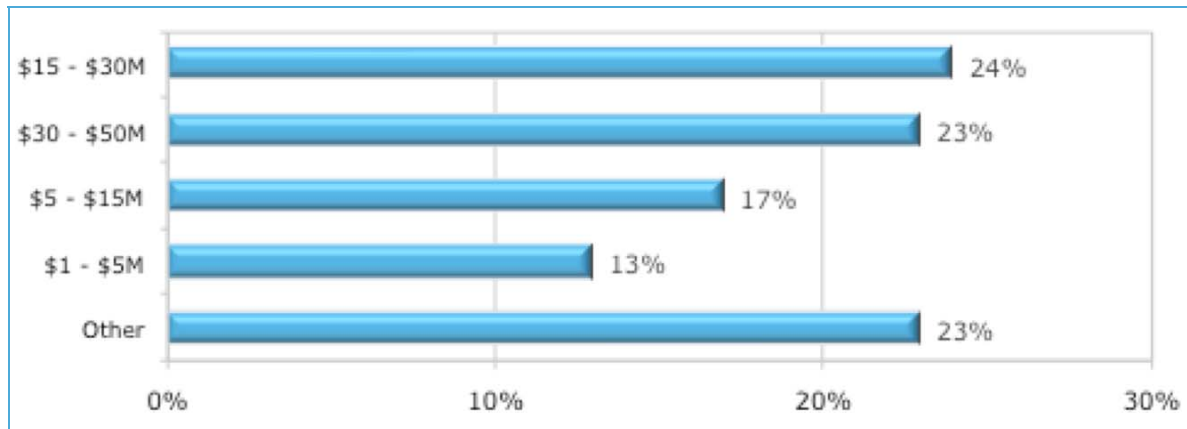
- Forty-five percent of HR buyers are somewhat optimistic about the economy and think that business is starting to improve in 2010.

Methodology

The research data referenced in this report is based on responses from human resource and employee benefits professionals collected during October and November of 2009.

- Seventy-seven percent of survey respondents were executive management across a variety of industries (managers, directors, VPs, C-suite, owners);
- Eighty-eight percent of survey respondents come from companies with annual revenues exceeding \$5M;
- Survey respondents came from a diverse range of industries with the most coming from education, health and social services (17%), manufacturing (16%), finance and insurance (11%).

Annual Revenue of Responding Companies



I Need an HR Solution. The Internet Beats the Peer Network

Year after year in our buyer behavior research, we find that HR buyers definitively rely on the Internet as a trusted source of information when making purchasing decisions.

But for the first time ever in our research, the Internet surpasses peers.

That's big news.

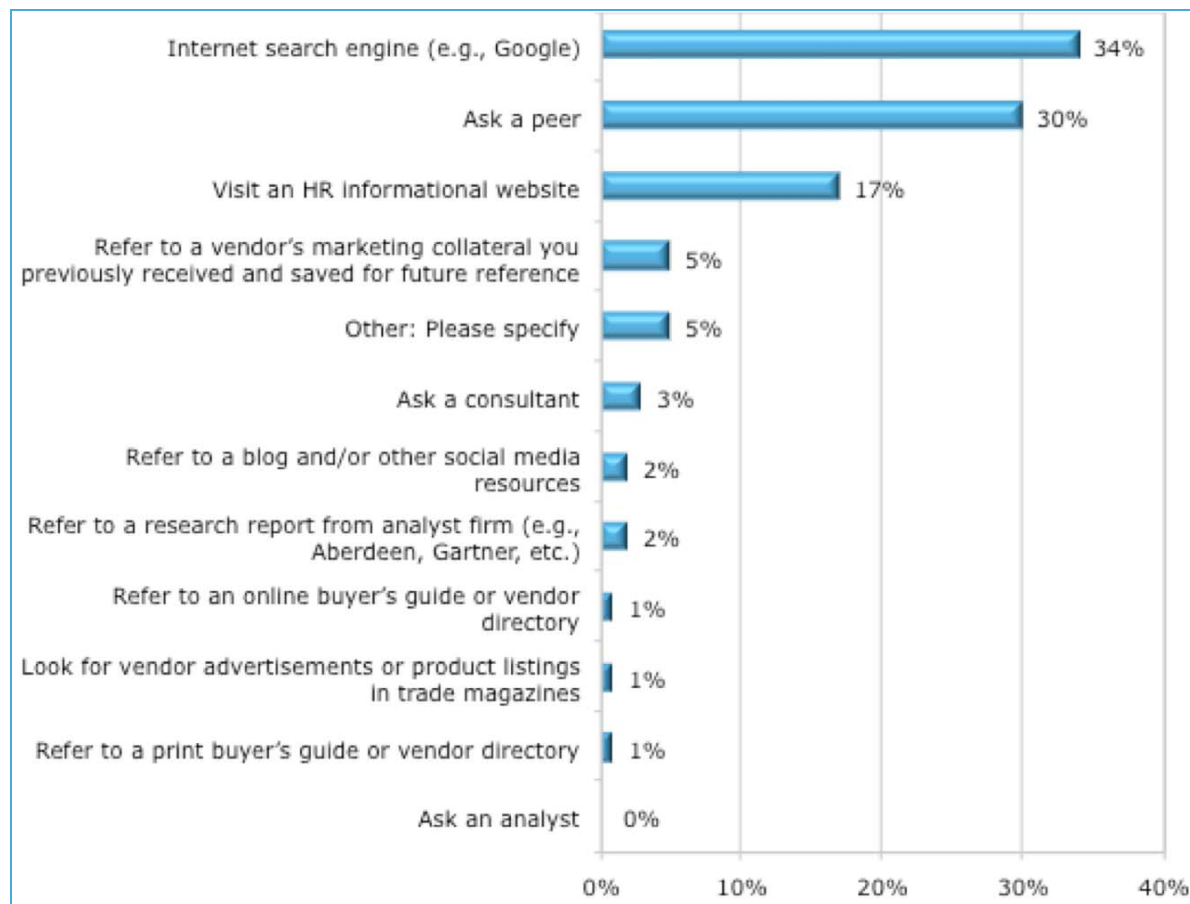
When HR buyers were asked how they begin their searches to identify vendors of HR products/services they may be interested in purchasing, "Internet Search Engine" ranked first (34%) followed by "Ask a Peer" (30%).

If you add in HR informational websites, blogs and other social media resources, going "online" to being the product/service search jumps to over 50%.

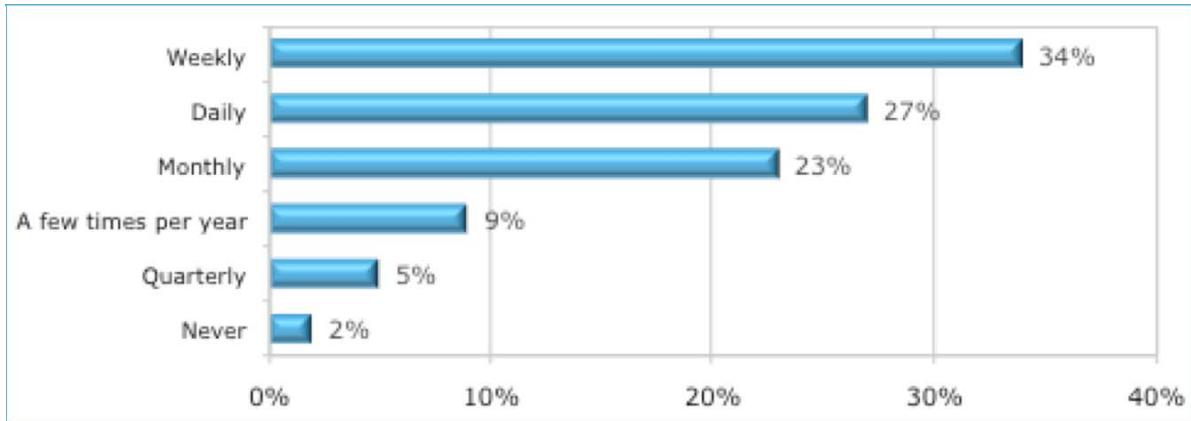
When asked how often they use an Internet search engine to search for HR information, nearly 30% of HR buyers said daily.

This is the first time since we started conducting these surveys in 2006 that the Internet has surpassed "Ask a Peer". In fact, regardless of company size, HR buyers chose "Internet search engine" when asked where they begin their research for HR products and services they intend to purchase. **Clearly, a strong and favorable online presence should be the primary goal of any HR vendor's marketing and PR department in 2010.**

How do you begin your search to identify vendors of HR products/services you may be interested in purchasing?



How often do you use an Internet search engine to search for information related to human resources?

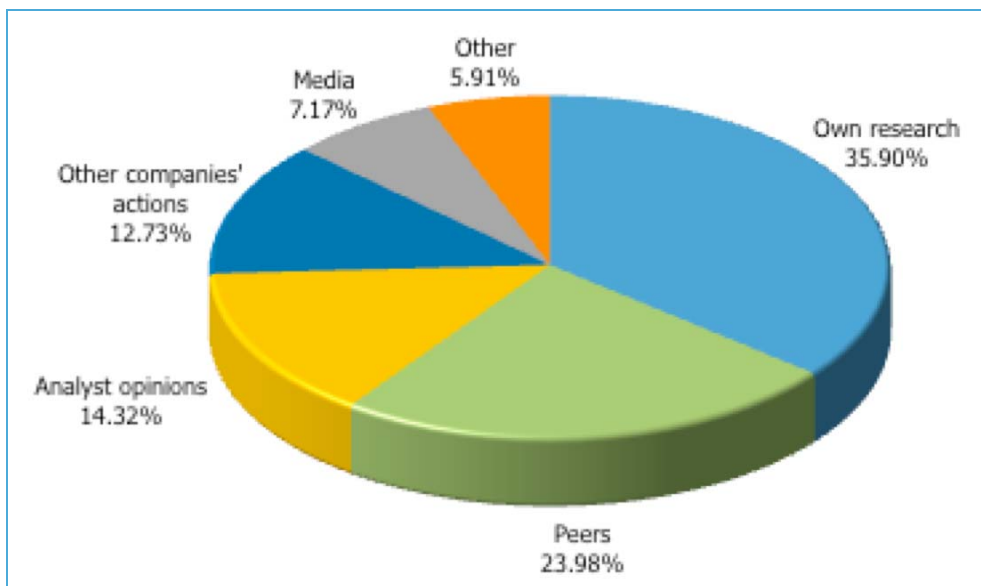


Research, Peers, Analysts and Competitors: And the Winner Is...

Once HR buyers have their short list of qualified HR vendors, our survey results show they place the strongest weight on their own research and peers when making their final decision. This is closely followed by the opinions of analysts and what other companies (e.g., competitors) are doing. "Other" common responses include:

- Consultants
- References
- Cost
- Reputation
- Product demo's
- Reputation

Average Weight HR Buyers Give to Each of the Following When Making Purchasing Decisions for HR Products or Services

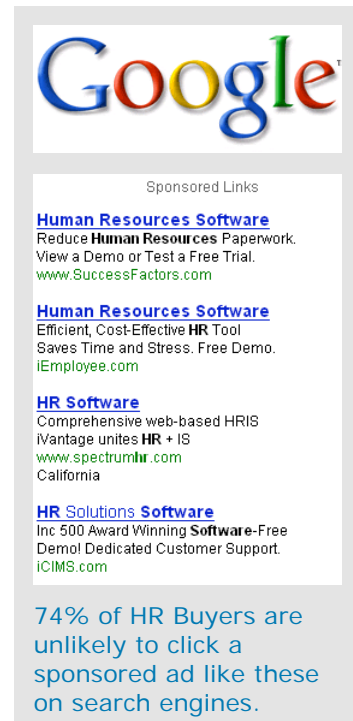


Search Engine Advertising and the Importance of “Organic” SEO

Forty-eight percent of HR buyers who use an Internet search engine are “unlikely” to click a vendor’s sponsored ad, while 26% are “very unlikely” to click a sponsored ad.

With over 25% of HR Buyers likely to click a sponsored link on search results pages, by no means should companies abandon their pay-per-click campaigns (disclosure: we manage several successful AdWords budgets on behalf of our HR vendor customers).

However, this clearly underscores the importance of “organic” SEO – ranking high in the natural search results. This is why HR vendors are well advised to invest in SEO (search engine optimization) and SEM (search engine marketing) to boost their natural rankings.



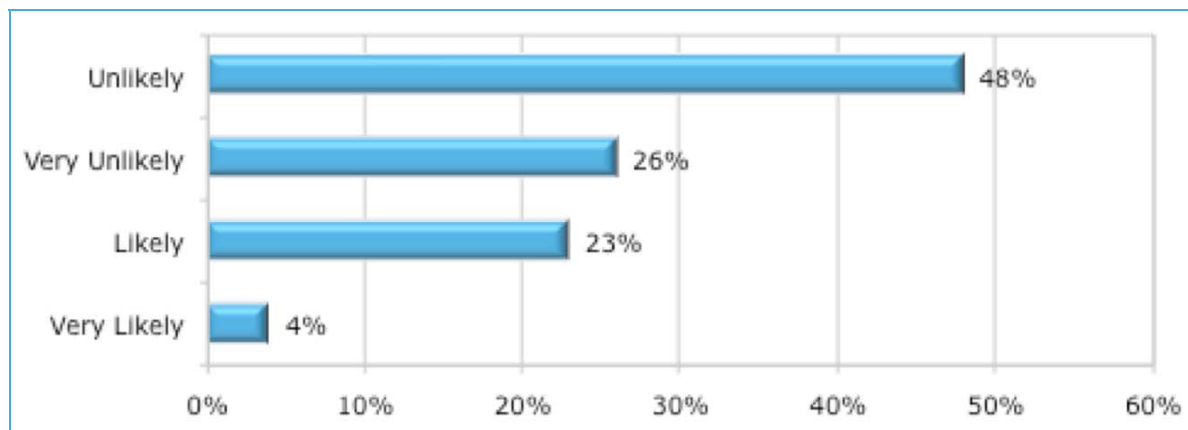
The image shows a Google search results page with the Google logo at the top. Below the logo, there are four sponsored links for HR software. Each link includes a title, a brief description, and a website URL. At the bottom of the screenshot, there is a blue text box with a statistic.

Sponsored Links

- Human Resources Software**
Reduce **Human Resources** Paperwork.
View a Demo or Test a Free Trial.
www.SuccessFactors.com
- Human Resources Software**
Efficient, Cost-Effective **HR** Tool
Saves Time and Stress. Free Demo.
iEmployee.com
- HR Software**
Comprehensive web-based HRIS
iVantage unites **HR** + IS
www.spectrumhr.com
California
- HR Solutions Software**
Inc 500 Award Winning **Software**-Free
Demo! Dedicated Customer Support.
iCIMS.com

74% of HR Buyers are unlikely to click a sponsored ad like these on search engines.

When you use a search engine to search for HR information, how likely are you to click a sponsored ad?



Social Media: A New Channel for Marketing Communications

When HR buyers were asked what social networking sites they frequent, LinkedIn ranked an overwhelming first (72%), followed by Facebook (51%), SHRM Connect (35%), HR.com (31%), and Twitter (20%).

And participation only continues to grow.

Many of the HRmarketer team members participate in social media and we see the number of HR buyers and influencers growing daily.

Facebook alone is adding millions of users per month and because of the souring economy, LinkedIn has also seen unprecedented growth.

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Twitter is also growing by leaps and bounds – a new feature launched in 2009 on HRmarketer.com showcases Twitter feeds for media contacts that have Twitter accounts. This information enables marketing and PR professionals to access journalists' tweets directly from the HRmarketer database – and subscribe to RSS feeds to easily track Tweets from these media contacts. We are finding that increasing numbers of journalists are opening Twitter accounts and are open to communicating with vendors through Twitter.

Professional Ning networks in the HR marketplace are also growing in popularity – RecruitingBlogs.com, RecruiterEarth.com and HRM Today are but a few of thousands of professional networks online today.

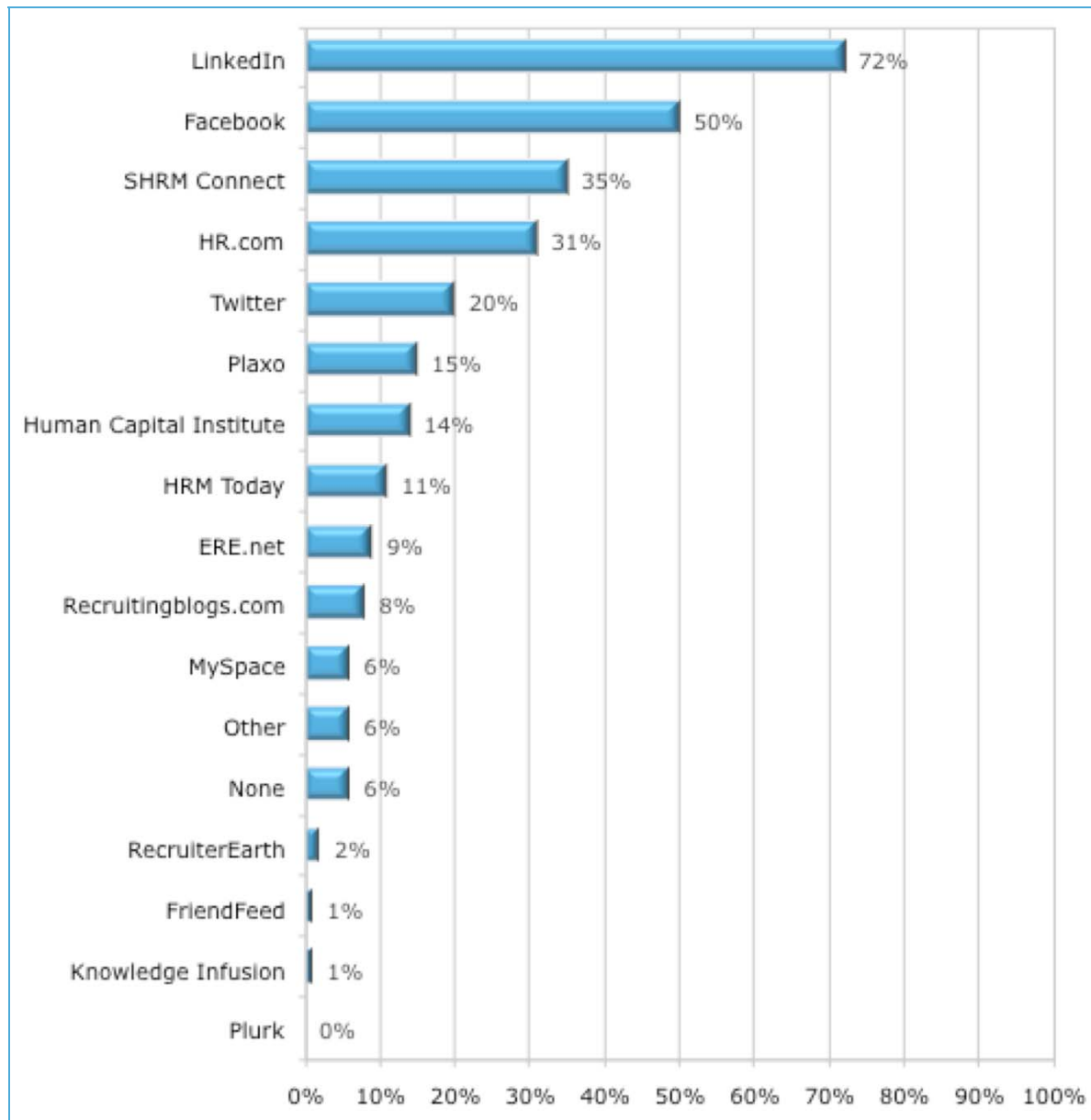
And don't forget the industry standard HR networks like HR.com, ERE.net, SHRM, Human Capital Institute, Knowledge Infusion and more.

Social media marketing is all about combining the power of online marketing and social networking so that you converse openly with your buying universe about anything and everything – good, bad and in between. Social media marketing uses social networking services as a means of doing just that.

For more information on social media marketing in the HR market place, download our eBook [*Conversation Starters – Social Media Marketing in the HR Marketplace.*](#)



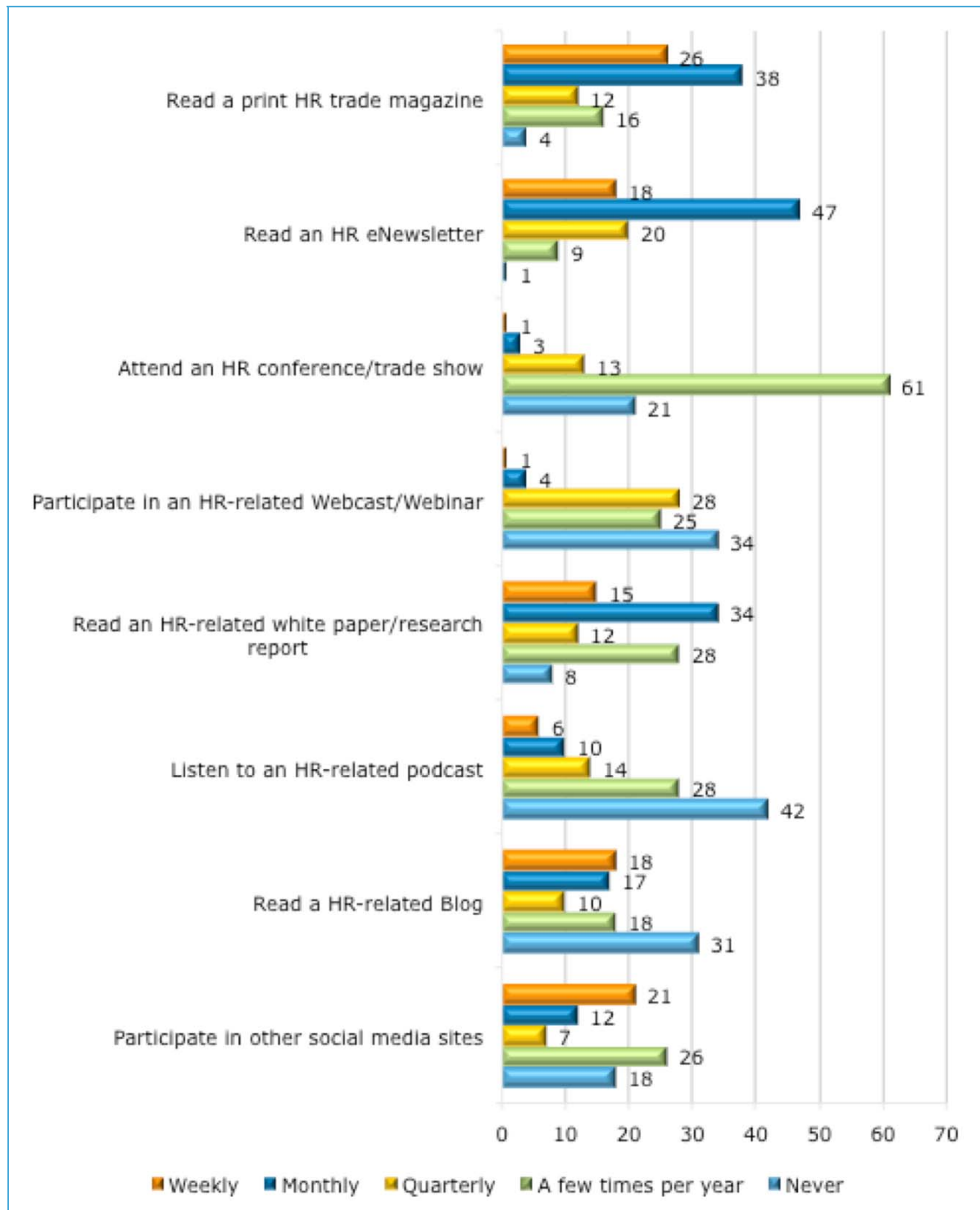
Social Networking Sites that HR Buyers Participate In



The Marketing Spend: Importance of Broad Allocation

We already know how popular the Internet is with HR buyers and the importance of a strong online presence for HR vendors – but don't make the mistake of cutting your more traditional marketing and PR tactics. Our survey results show that HR buyers rely on a broad mix of sources for HR information – from conferences and trade shows (60% attend at least two events per year) to HR eNewsletters (nearly 50% read one weekly).

How often do you use the following?



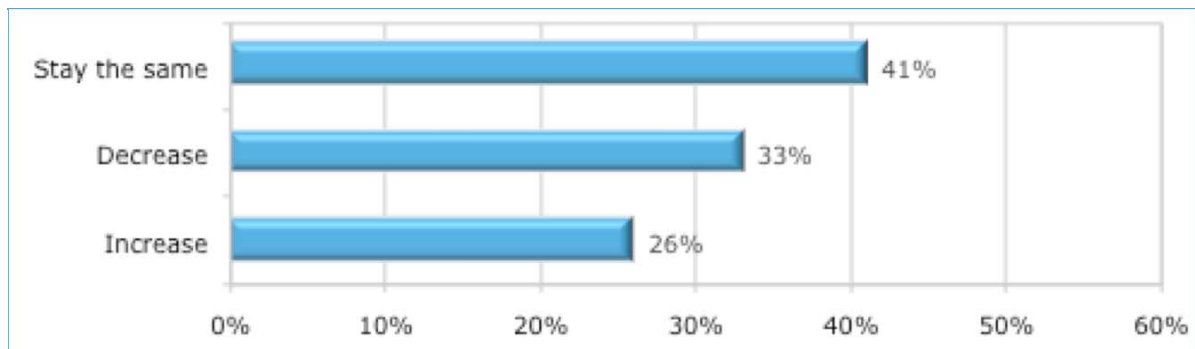
HR Budgets and the Economy

The good news about HR budgets? Most HR buyers (41%) plan on keeping their budget the same in 2010. The bad news? Most HR buyers plan on keeping their budget the same in 2010. The really bad news? One-third of HR buyers will spend even less than they did in 2009. Still, there is hope, with 26% planning to increase their 2010 budgets. The optimist will see that 67% of HR buyers will either keep their budgets the same or increase them in 2010.

Digging Deeper

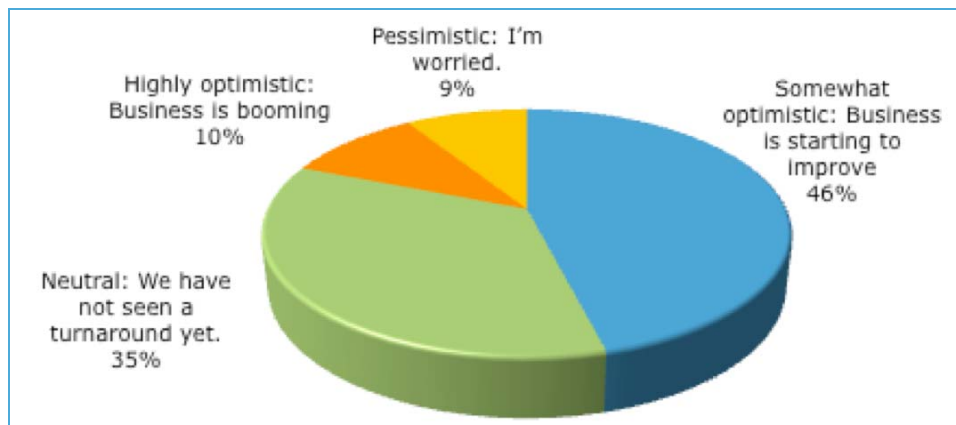
Eighteen percent of companies with revenue under \$5 million plan to increase their HR budget in 2010 compared to 32% for companies with revenue greater than \$30 million

Compared to this year (2009) do you expect your company's 2010 total HR budget (not including payroll related expenditures) to...



This is consistent with the responses we received to our question about the optimism HR buyers had about the economy heading into 2010. While just a few (9%) were very worried/pessimistic, an overwhelming majority (81%) was what we'll call lukewarm (somewhat optimistic or neutral). This feeling of lukewarm optimism was consistent among all company sizes.

How optimistic are you about your company heading into 2010?



For those companies with budgets, the majority plans on spending it on leadership development, performance management and wellness – and other employee recognition/motivation initiatives. Not surprising as companies cut staff and give more responsibilities to fewer people. You want to keep staff happy and motivated, and you need excellent leadership. This is consistent with what we see at HRmarketer.com as many of our clients in these sectors actually grew their business in 2009!

Executives of training companies we spoke with suggest two possible reasons for companies increasing their training budgets; one is a concern by employers that some of their best people may leave when the economy improves, so developing talent now is critical. A second reason may be that the importance of “talent management” is finally getting through to all companies, “not just the Proctor & Gambles” as one executive suggested. Further evidence to this trend is the increasing demand for talent management services at the small business and mid-market level.

However, we caution HR vendors not to draw any broad-based conclusions from any research that treats all employers equally and attempts to predict what the nation’s employers may or may not do. It can’t be done – there are too many micro-economies. Some companies in a particular region or in a particular niche industry may be growing like gangbusters while other regions or markets are hemorrhaging. This was evident in 2009. To get a true picture, you must ask the same questions by geography and vertical market. This presents some challenging yet very interesting opportunities for the marketing departments of HR vendors in 2010. Growth opportunities exist – you just may need to do a little work to find and exploit these opportunities.

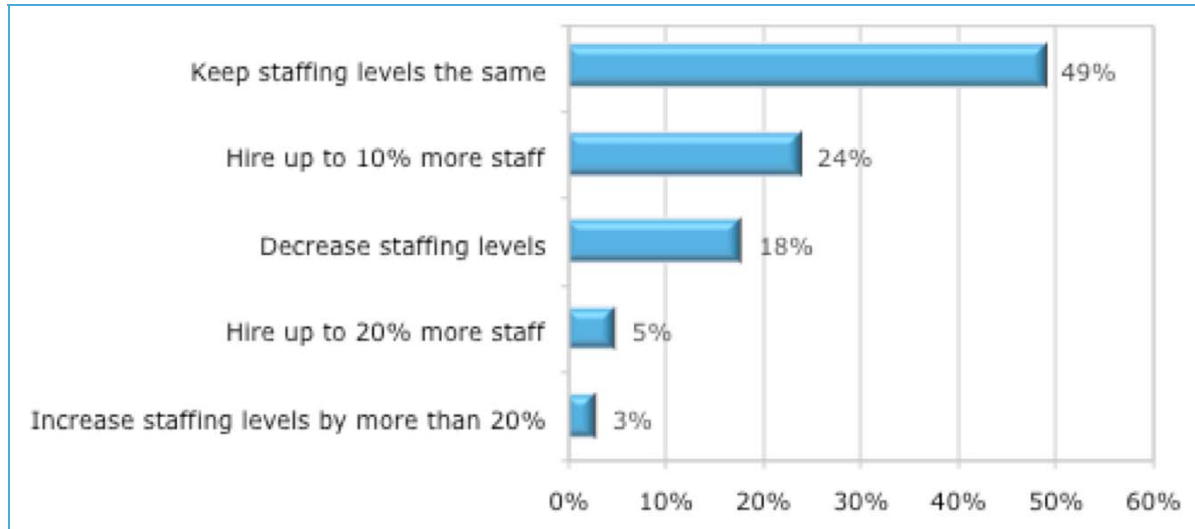
2010 Budget Plans

Question	Increase	Decrease	Stay Same
Management / Leadership Dev.	26.36%	2.73%	52.73%
Performance Management	24.55%	0.00%	60.00%
Employee Wellness	24.55%	1.82%	54.55%
Corporate Social Networking	22.73%	2.73%	38.18%
Training/Education	20.00%	6.36%	57.27%
Mentoring	18.18%	1.82%	42.73%
Employee Recognition	16.36%	4.55%	62.73%
HRIS/Payroll	14.55%	2.73%	69.09%
Benefits & Compensation	14.55%	4.55%	69.09%
E-Verify	12.73%	0.00%	45.45%
Diversity Recruitment	12.73%	1.82%	50.00%
Incentives	12.73%	2.73%	56.36%

Question	Increase	Decrease	Stay Same
Background Checks	11.82%	0.00%	69.09%
Coaching	11.82%	2.73%	41.82%
New Hire Surveys	10.91%	0.91%	35.45%
Pre-Employment Testing	10.00%	0.00%	53.64%
Talent Management Software	10.00%	0.00%	33.64%
Assessment/Selection	10.00%	1.82%	50.91%
Employee Assistance Programs (EAP)	10.00%	1.82%	67.27%
Work-Life (e.g., child and/or elder care programs)	10.00%	4.55%	42.73%
Sourcing/Recruiting Research	9.09%	2.73%	54.55%
Consulting	9.09%	9.09%	52.73%
Applicant Tracking System	8.18%	0.00%	54.55%
Benefits Administration/ESS	8.18%	0.00%	65.45%
Exit Interviews	8.18%	0.91%	70.00%
I-9 Compliance	7.27%	0.00%	69.09%
Drug Testing	7.27%	0.00%	53.64%
Testing/Screening	7.27%	0.91%	54.55%
Compensation Surveys	7.27%	0.91%	67.27%
Kiosk	6.36%	0.00%	23.64%
Relocation	6.36%	7.27%	42.73%
Absence/Leave Automation	5.45%	0.91%	50.91%
HSAs	5.45%	1.82%	50.00%

Not surprisingly, many HR departments will not be increasing their budgets for products and services related to hiring. Again, this was consistent to the answers we received when we asked HR buyers about their hiring plans, with nearly 50% saying they will keep levels the same. And as we write this report, it was reported that more Americans than anticipated filed first-time claims for unemployment benefits the week of December 7th, 2009. Companies are just not hiring... yet.

With respect to your overall staffing levels in 2010 do you expect your company to...



Some economists believe one of the signs of economic recovery is when small businesses start to hire. In fact, history shows small companies tend to hire disproportionately more workers early on in an economic recovery. Interestingly, our survey shows nearly 50% of companies with revenues under \$5 million expect to increase staffing levels of at least 10% in 2010 compared to just 31% of large employers.

A new question we introduced to this year's survey was asking HR buyers what products and services they currently use. The details of this "for-what-it's-worth" question are listed in the chart below.

Do you currently use the product or service?

Question	Yes	No
HRIS/Payroll	81.82%	18.18%
Training/Education	76.36%	23.64%
Background Checks	76.36%	23.64%
Performance Management	70.00%	30.00%
Employee Assistance Programs (EAP)	69.09%	30.91%
Benefits & Compensation	69.09%	30.91%
Management / Leadership Dev.	68.18%	31.82%
Employee Recognition	67.27%	32.73%

Question	Yes	No
Employee Wellness	64.55%	35.45%
Compensation Surveys	63.64%	36.36%
I-9 Compliance	63.64%	36.36%
Exit Interviews	62.73%	37.27%
Benefits Administration/ESS	60.00%	40.00%
Consulting	57.27%	42.73%
Incentives	55.45%	44.55%
Drug Testing	51.82%	48.18%
Pre-Employment Testing	50.91%	49.09%
Applicant Tracking System	50.00%	50.00%
Sourcing/Recruiting Research	49.09%	50.91%
Testing/Screening	48.18%	51.82%
Diversity Recruitment	47.27%	52.73%
HSAs	46.36%	53.64%
Corporate Social Networking	43.64%	56.36%
Assessment/Selection	43.64%	56.36%
Mentoring	41.82%	58.18%
E-Verify	41.82%	58.18%
Relocation	39.09%	60.91%
Work-Life (e.g., child and/or elder care programs)	39.09%	60.91%
Coaching	36.36%	63.64%
Absence/Leave Automation	35.45%	64.55%
Talent Management Software	26.36%	73.64%
New Hire Surveys	25.45%	74.55%
Kiosk	12.73%	87.27%

Conclusion: Where Should HR Vendors Spend Their Marketing and PR Dollars in 2010?

Everywhere – particularly when it comes to being found online. Remember the big news from earlier?

*For the first time ever in our research, the Internet surpasses peers. You **MUST** be found online when buyers are in the early stages of product/service research.*

But also remember to *not* make the mistake of cutting your more traditional marketing and PR tactics. Our survey results showed that HR buyers rely on a broad mix of sources for HR information, from conferences and trade shows to HR eNewsletters.

For the first time ever in our research, the Internet surpasses peers. You **MUST** be found online when buyers are in the early stages of product/service research.

We're incurable optimists at HRmarketer, so based on our survey results we're confident stating that 67% of HR buyers will either keep their budgets the same or increase them in 2010, as well as incubating *lukewarm optimism* consistent among all company sizes.

It's clear from our survey and the news around us that many companies won't be increasing their budgets for products and services related to hiring, but they do plan on investing in improving internal talent efficiencies – leadership development, performance management and wellness – and other employee recognition/motivation/engagement initiatives. HR suppliers in these categories, big and small, should definitely be increasing their marketing spend in 2010.

As we've stated in previous HR buyer reports, there are a lot of factors that influence your marketing spend, but far too many vendors don't carefully consider how much they should spend on marketing and where to spend it.

Research continues to show that on average, across all industries, **companies spend between 10% and 20% of revenue on marketing/PR**. In the HR industry, our research shows that on average, leading vendors allocate about 10% to 15% of revenue to marketing and PR. But regardless of how much you spend, marketers must be ready to accommodate prospects' needs and meet them where they are – whether that be online or via more traditional routes.

Although not all were revealed in our survey results, [three big marketing trends to look at in 2010 are video marketing, mobile marketing and social media marketing](#) – all of which best practices content can and should be distributed (white papers, articles, tip sheets, webcasts, podcasts, etc.). HR buyers still hunger for quality content that helps them improve and grow their businesses, whether they purchase your products or services today or tomorrow.

And it all starts online.

We wish you the best of luck in your marketing endeavors in 2010 and hope you'll share with us your *big marketing and PR news* throughout the year!

Further Reading

- [HRmarketer Blog](#) (ranked as a top 20 blog in the HR marketplace).
- E-Book: [Conversation Starters – Social Media Marketing in the HR Marketplace.](#)
- E-book: [How to Reach Human Resource Buyers and Convert Them to Leads.](#)
- [More HR marketing white papers, articles and webinars.](#)



Be seen and get leads! Showcase your company on the Internet's largest human resource buyers guide, syndicate your white papers, and more. [Visit the HR Directory to create your company profile.](#)



About HRmarketer

HRmarketer.com, a service of Fisher Vista LLC, is the no. 1 Internet marketing and media visibility service in the human resources industry. Since 2000, nearly 700 human resource suppliers have used HRmarketer.com to generate publicity, website traffic, sales leads and improved search engine rankings.

HRmarketer products include:

- [HRmarketer.com](#): The HRmarketer.com SaaS application combines a database of marketing and public relations (PR) opportunities with press release distribution, campaign management, SEO tools, e-Clipping services, social networking and advisory services. Marketing is hard work, but HRmarketer.com makes it easier to plan, manage, execute, track and measure your marketing and PR efforts.
- [HR List Rentals](#): Over 80,000 current opt-in e-mails and postal addresses of HR decision makers throughout the U.S.
- [The HRmarketer Services Group](#): PR, media relations, SEO, direct marketing, podcasts, webcasts and more. Our full-service agency is one of the largest and most respected firms in the HR industry.
- [HR Advertising and Lead Referral Program](#): Our exclusive lead referral program includes a full-page color ad and side-by-side editorial option in the HR Vendor Directory (published twice per year and distributed to thousands of HR decision makers), 500 "welcome aboard" leads, one complimentary e-mail blast to 10,000 opt-in HR decision makers and an additional 1,000 leads throughout the year (delivered to your inbox 3 days a week).

About Fisher Vista, LLC

Fisher Vista, LLC is a marketing services firm focusing on the human resource and senior care marketplaces. Our products and services combine innovative Web-based technologies with traditional marketing and PR. Since 2000, we've helped hundreds of suppliers in the HR and senior care marketplace improve their marketing and PR and generate more publicity, website traffic and sales leads.



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