

Social Media and Sales Quota



**The Impact of Social Media on
Sales Quota and Corporate Revenue
(A Research Report for B2B Companies)**

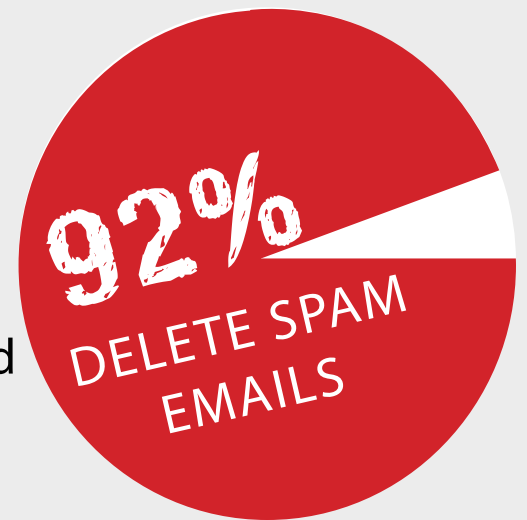
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EXECUTIVE SUMMARY

When working with sales organizations in the business-to-business (B2B), space we are constantly asked if using social media as part of the sales process actually generates a measurable return.

Keeping that question in mind, Social Centered Selling and A Sales Guy Consulting decided to find out if social selling truly impacted sales. With all the hype that surrounds social media and the term “social selling”, we wanted to know if social made a difference where it mattered... **IN QUOTA.**



Various estimates from Gartner, Harvard Business Review, Sirius Decisions and others confirms that today’s buyer begins the buying process without the involvement of sales 60%-80% of the time. Cold calling and spam emails have diminished in effectiveness, with some 92% of buyers say that they merely “hit delete” when the email or call comes from someone that they do not know.

THIS BEGS THE QUESTION, IS SOCIAL MEDIA AN EFFECTIVE SELLING TOOL FOR TODAY’S NEW, MORE EDUCATED, INFORMED, BUSY BUYER?

EXECUTIVE SUMMARY

Our goal with the survey was to answer this question and others to shed some light on the impact social media has on achieving revenue goals. We wanted to know:

-  **Do sales people use social media to sell?
If not, why not?**
-  **What effect does using social media have
on sales quota attainment?**
-  **What are the top social media sites
currently being used?**
-  **Are employers investing in
training their people to use social
media effectively?**
-  **How much time do sales people
spend using social media as part
of their sales process?**

SOCIAL SELLING DEFINED

We define Social Selling as the process of using social media to prospect, research, engage, collaborate, network, teach and close all with the purpose of attaining quota and increasing revenue.

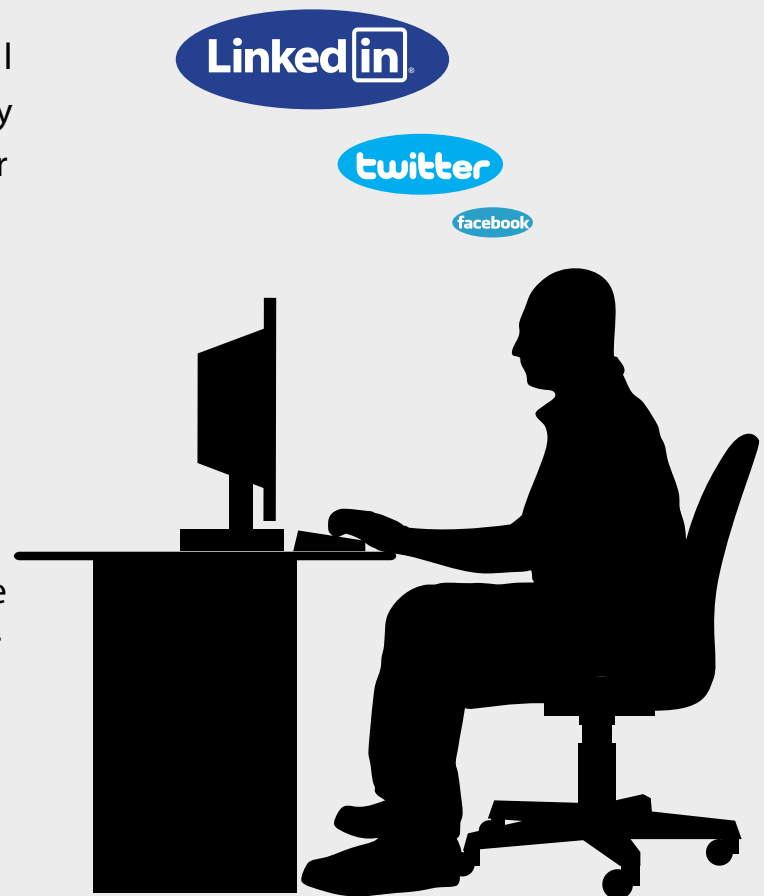
Today's savvy seller recognizes that a better-informed and more connected customer controls the buying process.

Key Findings

- **Quota attainment and sales performance.** In 2012, **72.6%** of sales people using social media as part of their sales process outperformed their sales peers and exceeded quota **23%** more often.
- **There is a direct correlation between closed deals and social media usage.** Sales leaders want to know where the Return-on-Investment (ROI) is if their sales people spend time on social media sites. **54%** of our survey respondents have tracked their social media usage back to closed deals.
- **Top reasons that sales people are using social media.** The top three reasons that sales people use social media: Networking, Prospecting and Research. In that order. For those sellers using social media two years or longer, Research moved into the number two spot.

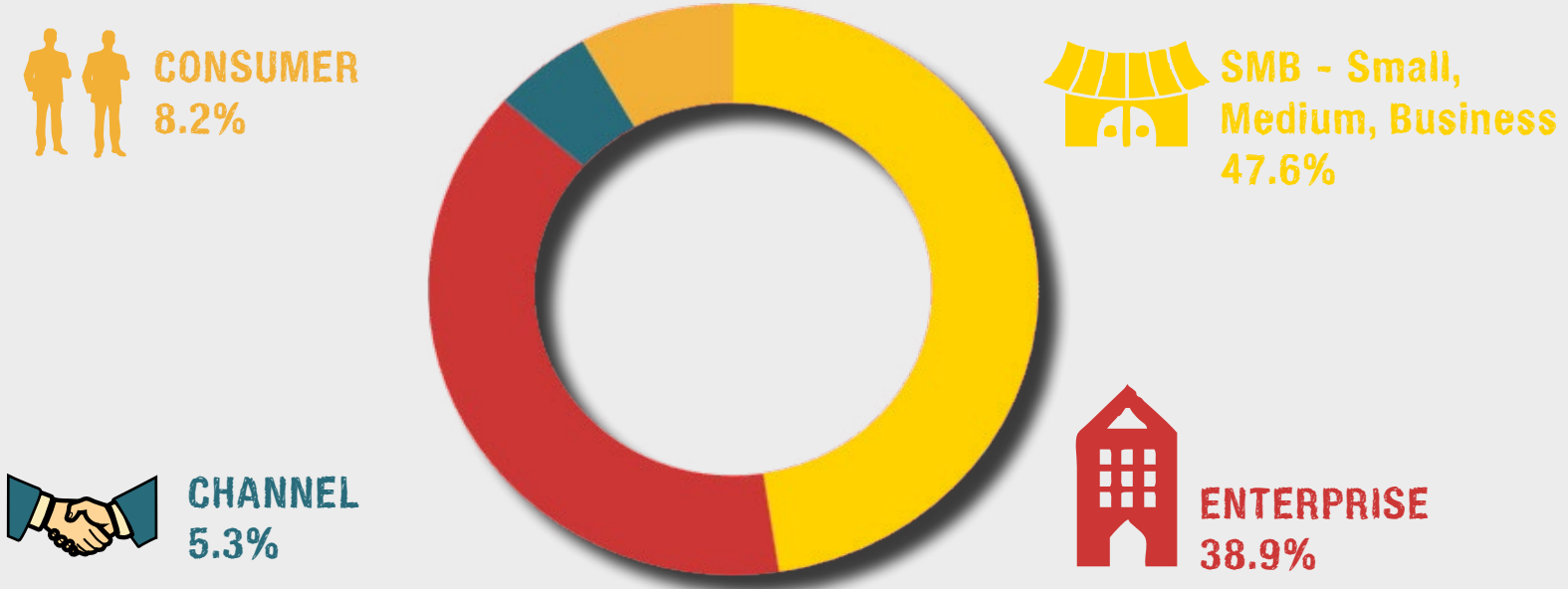
Key Findings

- **The time investment in using social media to sell.** A common concern among sales leaders is that their sales people will spend more time on social media sites than they will actually spend selling. It turns out that their concern is unwarranted. **50.1%** of sales people told us that their time spent using social media ranged from **less than 5% to up to 10%**.
- **Top social sites used for selling.** Given that the majority of our respondents said that they sell in a B2B environment, it is not surprising to learn that LinkedIn® is the number one site being used for sales activity. Twitter, Facebook and Blogging followed right behind.
- **Ignoring the use of social media to sell.** The **21.7%** of the sales people who told us they were not using social media, the vast majority said that they either did not see the value (18.9%) or they did not understand it (45%).
- **Lack of training.** As we also discovered, **75%** of the respondents told us that they were given no training in the effective use of social media. This certainly explains the large majority of sales people who are not using social media as part of their sales process. We think this is a huge opportunity for sales organizations to improve sales results – across the board - by investing in training for their sales teams.

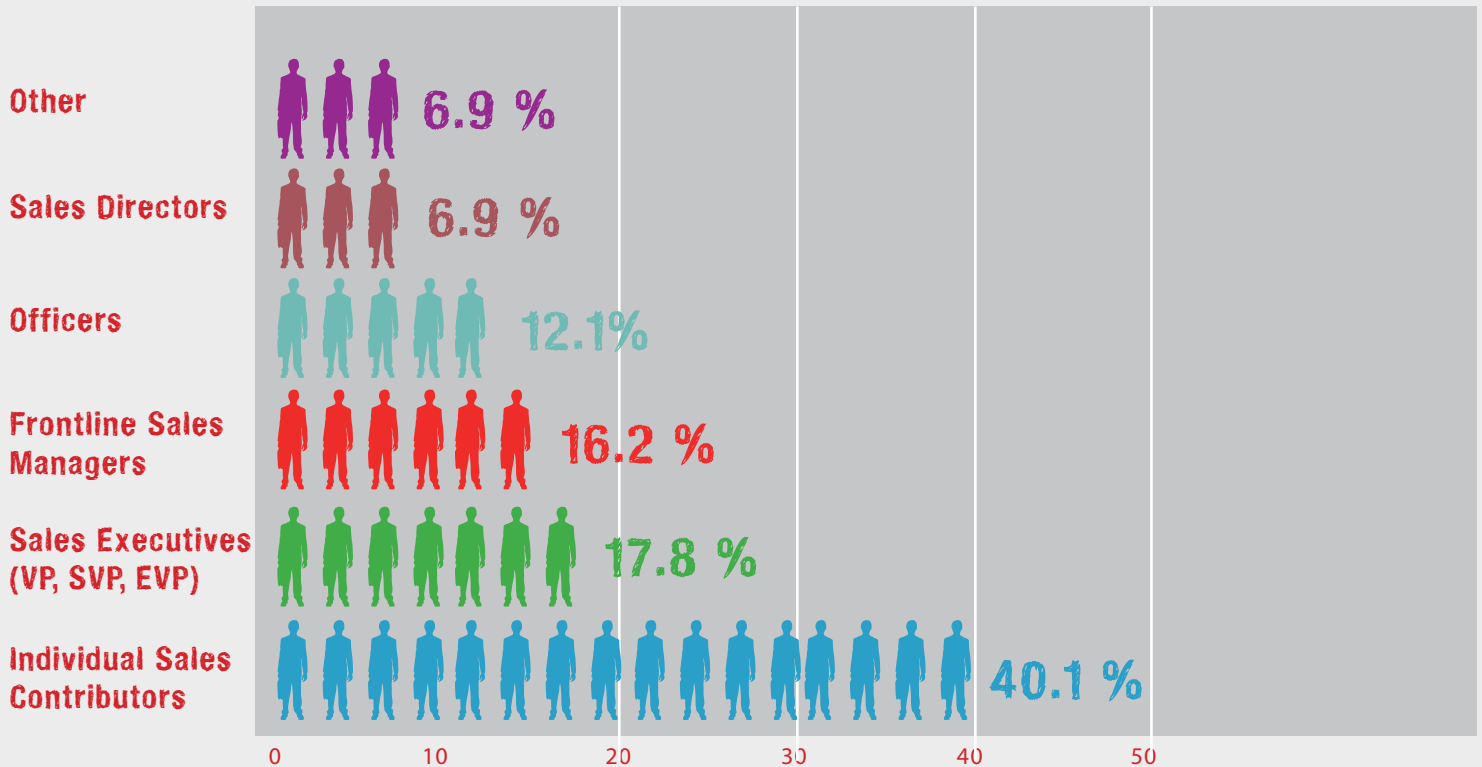


ABOUT THE PEOPLE THAT PARTICIPATED

The survey results were generated by 511 salespeople who identified themselves as predominately selling in a B2B sales environment.

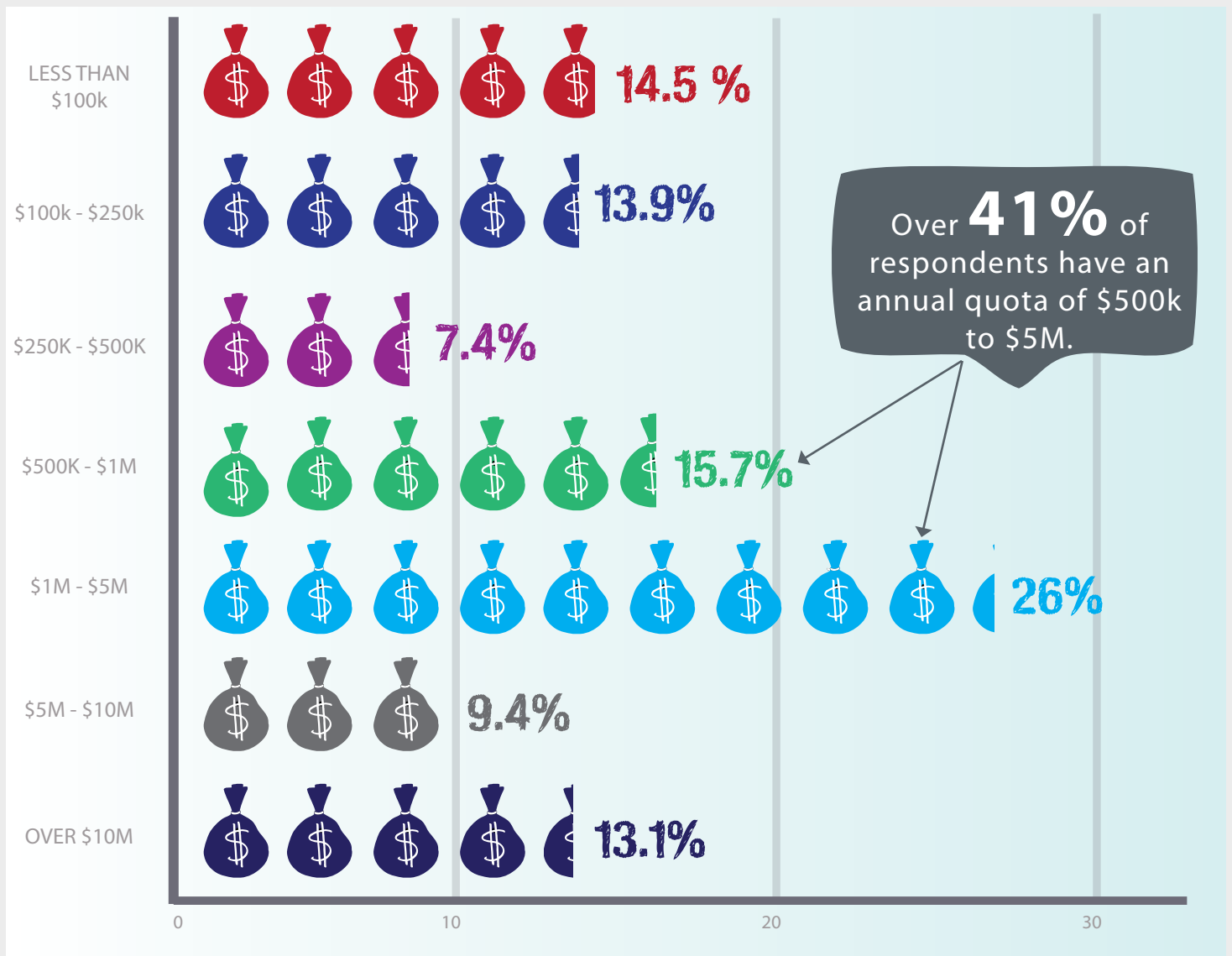


When we asked the survey respondents to confirm their role in the sales organization, we found that:



The split between Sales Leadership versus Individual Sales Contributors is roughly equal, which we think means that the data provides a realistic picture of how sales people view social media as a mechanism for increasing revenue and achieving quota targets.

In terms of the breakout of annual quota assignments, survey respondents reported:



SURVEY QUESTIONS

Do you use social media as part of your selling process?

The argument rages on about whether or not traditional means of reaching prospects still works.

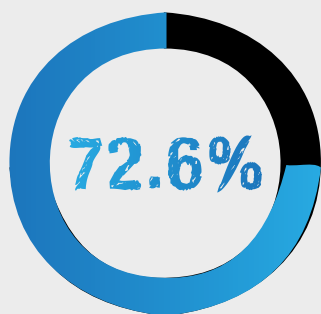
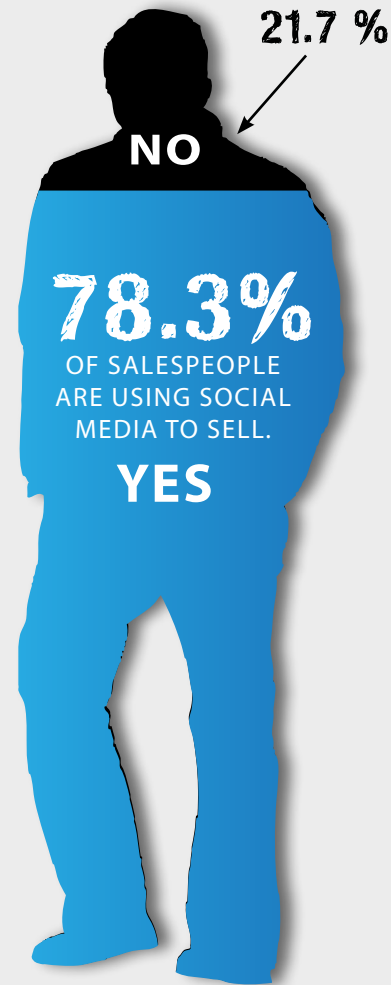
With prospects blocking phone calls and ignoring emails at unprecedented rates, it is clear that the approaches that led to sales success in days gone by no longer works today.

It is not uncommon for our clients to tell us that if their sales people can get through to prospects 10% of the time using traditional means (cold calls and email) they are lucky.

Many sales executives still believe that time spent using social media isn't worth the effort. They want proof of the Return-on-Investment (ROI) if their sales people spend time on sites like LinkedIn or Twitter. We have the proof and know that sales people using social media ARE generating sales results!

The smart sales people have clearly figured out that they need to utilize new approaches to reaching today's prospects. Sales people using social media are definitely outperforming those sales peers who can't be bothered, but is there a clear correlation between using social media and closing deals?

The answer is...absolutely!



Of salespeople using social media outperformed their sales peers in 2012



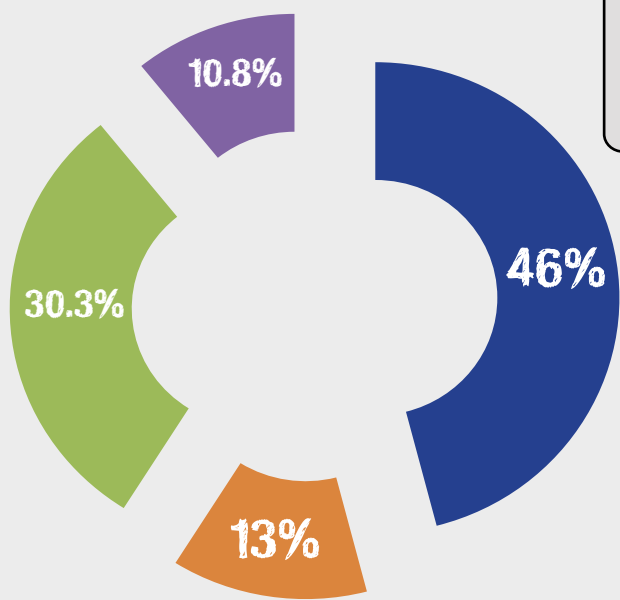
Have you closed any business as a direct result of social media in the past year?

Depending on the average deal size for your particular business, you can see that closing even one more deal, per sales rep adds up and will lead to significant, additional contributions to your revenue.

For example, let's assume that you have 50 sales people on your team and the average deal size is \$50,000. If every salesperson on the team closed one additional deal, you would see an increase of \$2.5M in revenue generated!

The investment in using social media to sell is worth it and just in case you are still skeptical, let's look deeper into the sales results that we uncovered.

54% of respondents said yes!

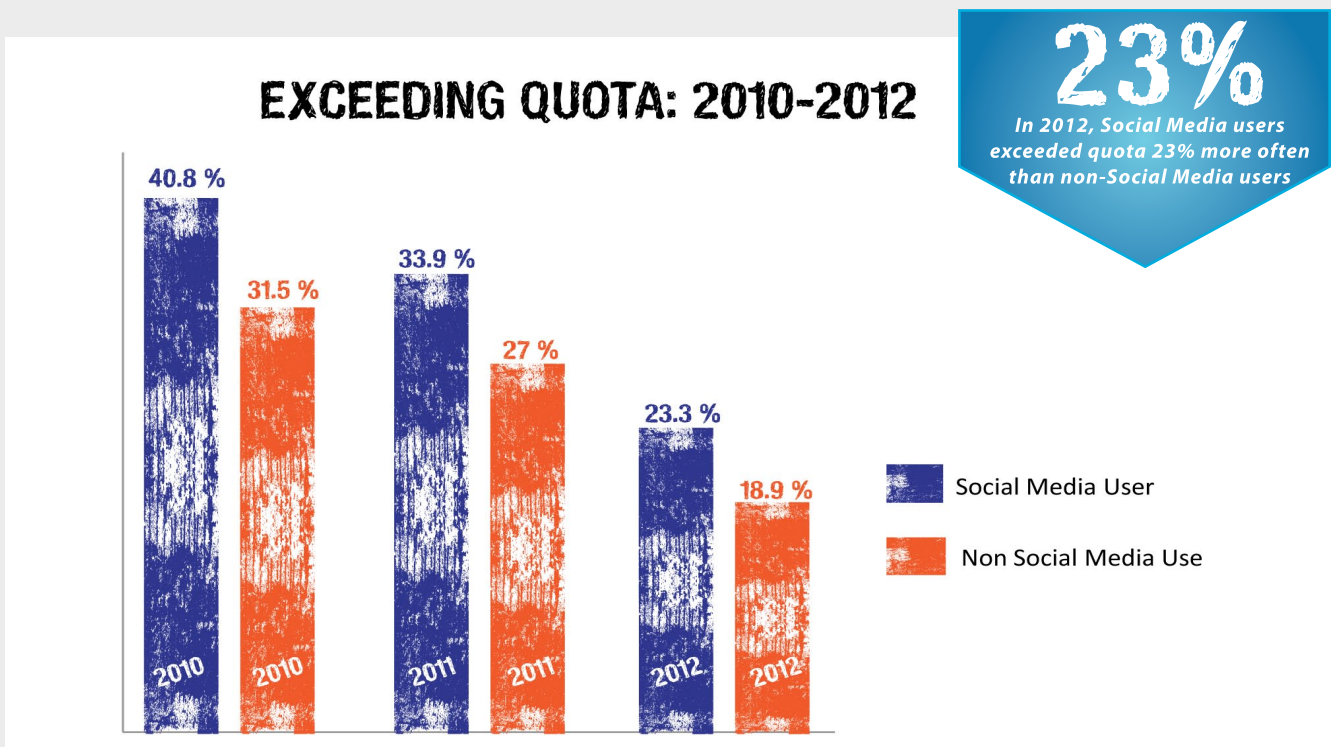
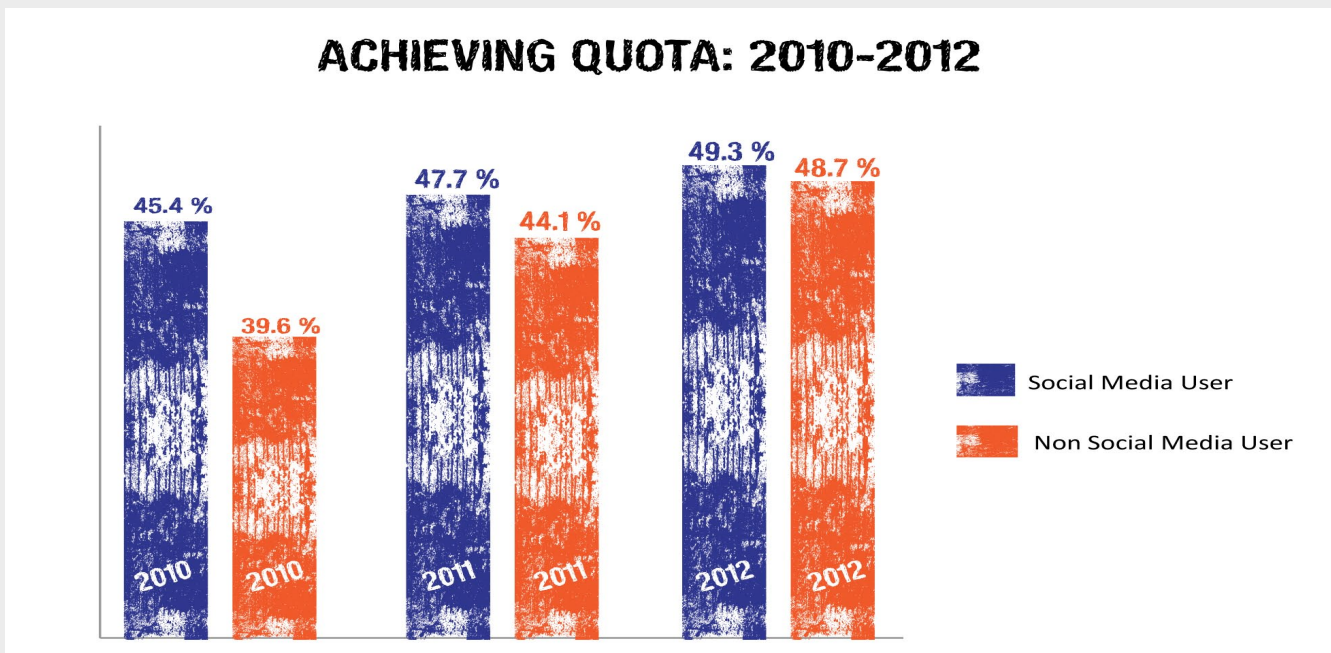


Of them 40% have closed more than one deal (2-5) and another 10.8% have closed more than 5 deals using social media!

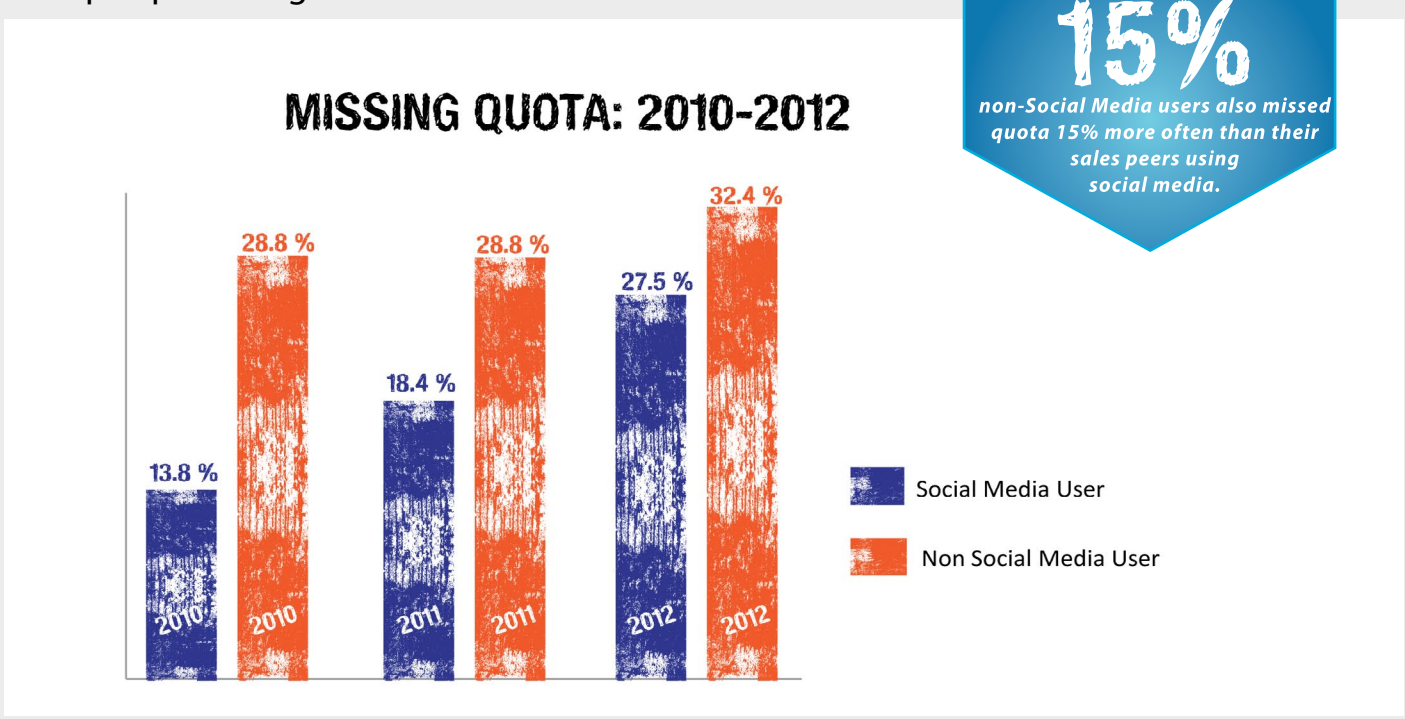
- No
- Yes, but only one deal
- Yes, a handful of deals 2-5
- Yes, it directly contributes to my closes (over 5)

Digging Deeper into Sales Results

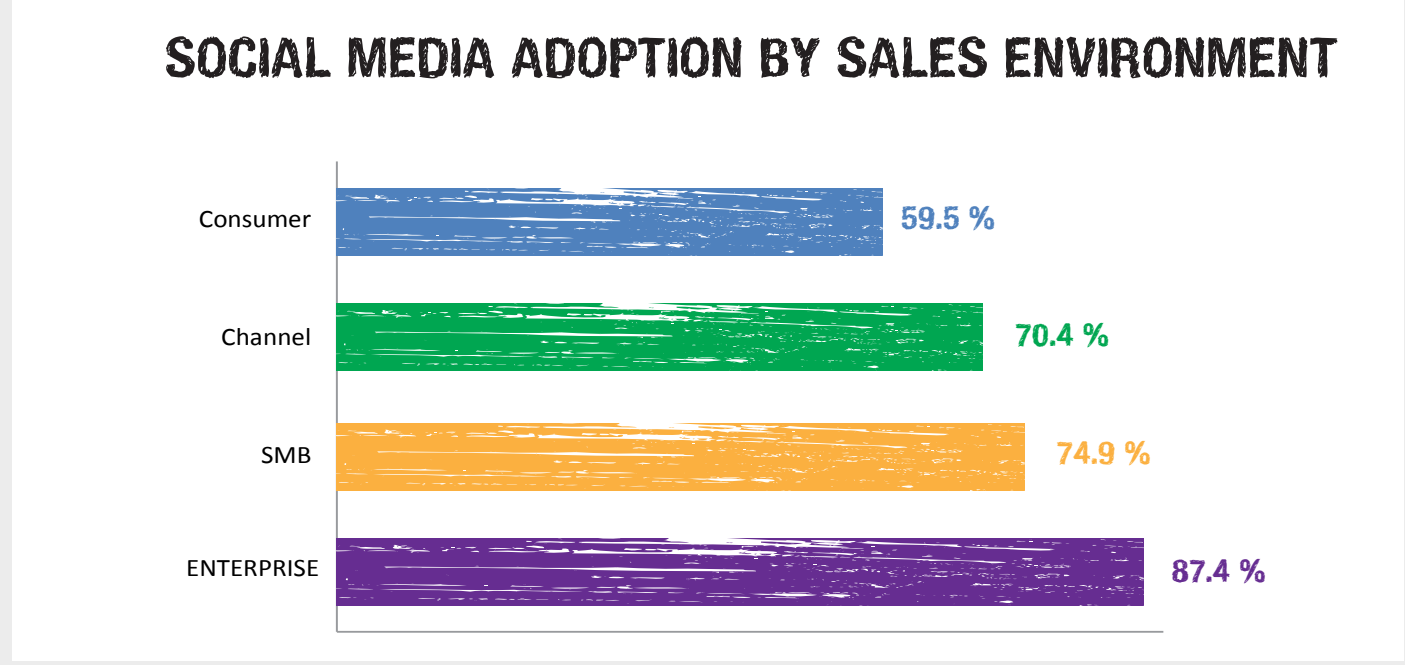
When we set out to determine if sales people were actually achieving sales results using social media, we felt very confident in our belief that social media does play a significant role in quota attainment. And the survey results support that belief.



As we delved a little deeper into the numbers, we discovered that the sales people who are not using social media missed quota at a far more compelling rate than sales people using social media.



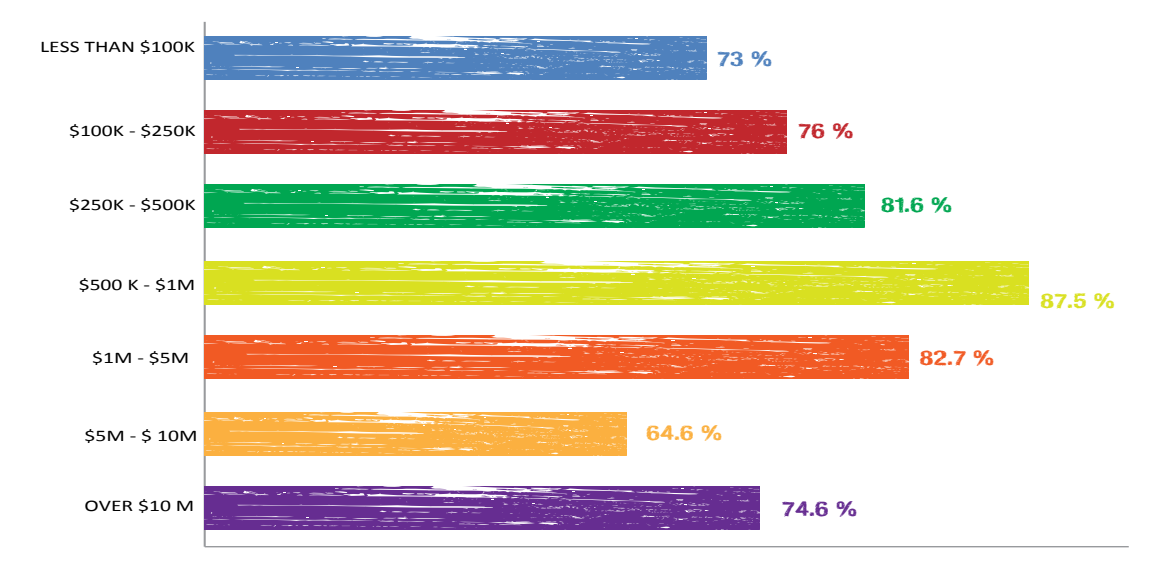
The numbers above give us a top level view of how sellers who use social media are achieving and exceeding quota versus those sales people who do not. We also wondered if assigned quota, as well as the type of customer that salespeople were selling too made any difference in terms of social media adoption and usage.



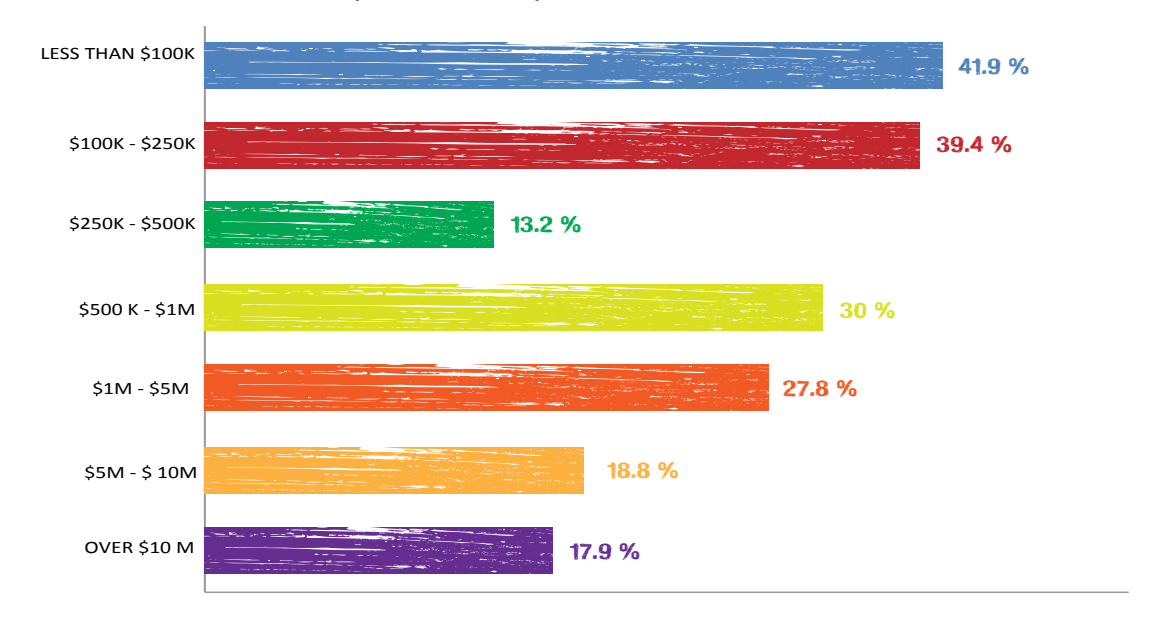
For sales reps selling into complex, enterprise environments, the social media adoption rate is the highest. As we talk about later in the report, we learned that Networking, Prospecting and Research were the three activities in which social media were most often used.

When considering the complexity of dealing with large organizations, it seems to make sense those Enterprise sales people recognize that using social media helps them to expand the breadth and depth of their reach inside the companies that they are targeting for new business and/or are working with as current clients.

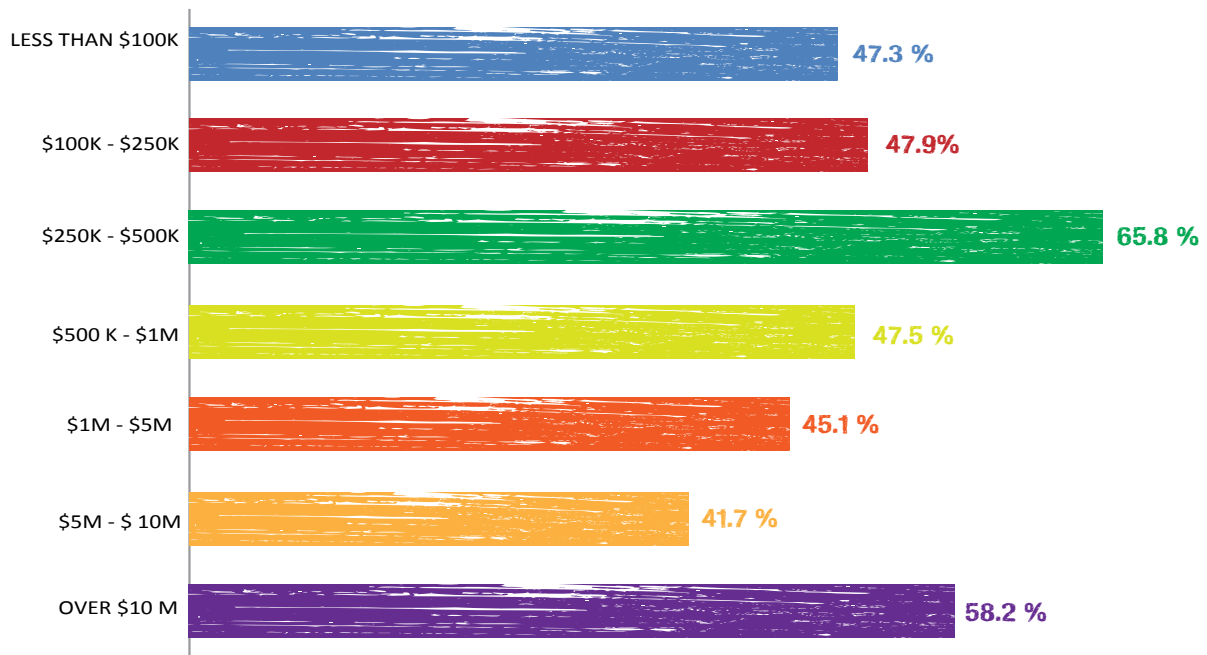
SOCIAL MEDIA USE BY QUOTA ASSIGNMENT - 2012



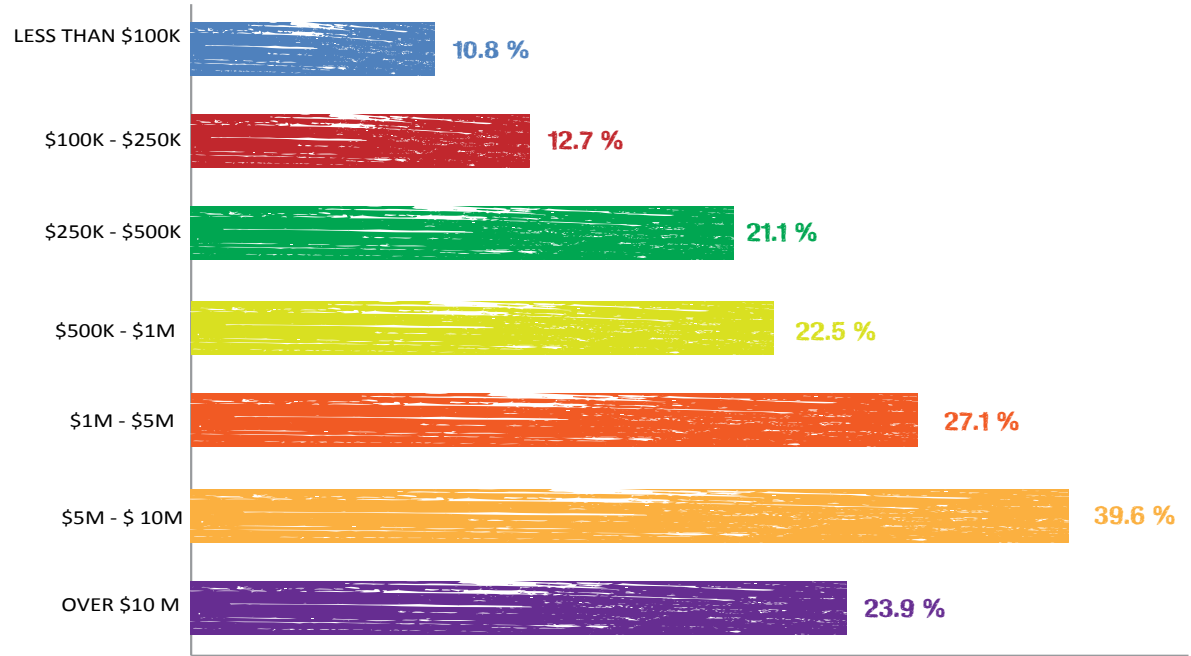
MISSED QUOTA BY QUOTA ASSIGNMENT - 2012



ACHIEVED QUOTA BY QUOTA ASSIGNMENT - 2012



EXCEEDED QUOTA BY QUOTA ASSIGNMENT - 2012



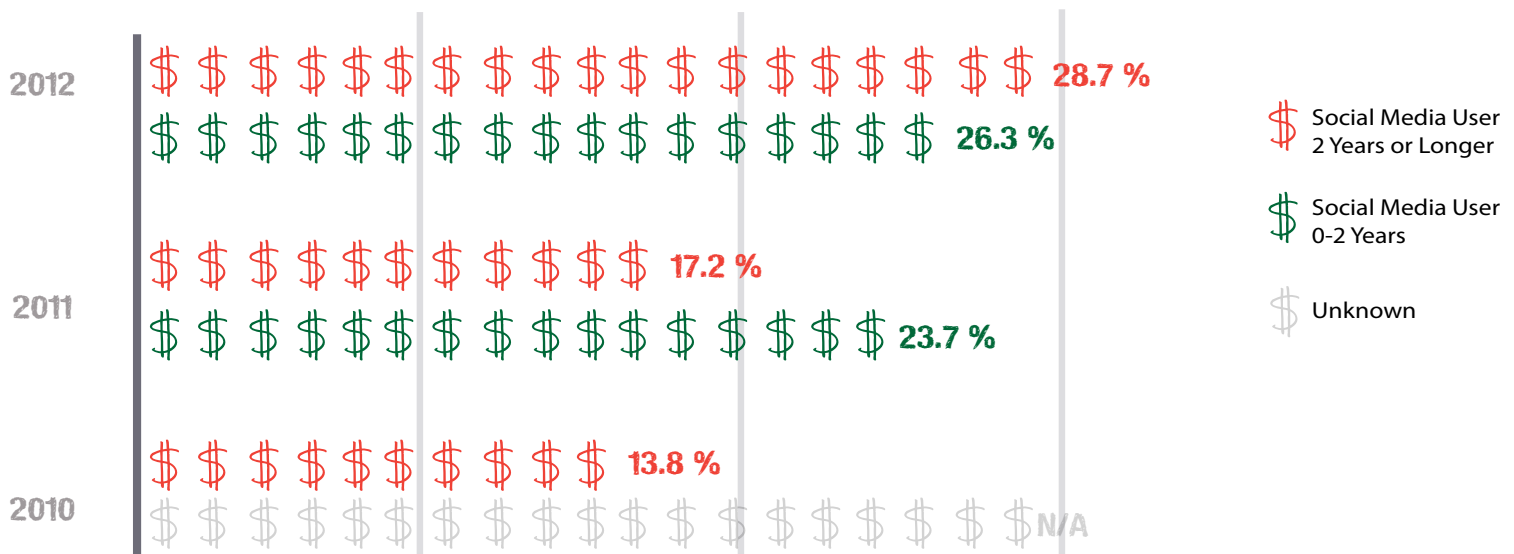
In spite of what appears to be a consistent increase in social media adoption with the complexity of the sale, we were surprised to see a lack of consistency when quota assignment was added to the mix. Although we see an increase in social media adoption as quota's increase, adoption appears to peak at \$500K – \$1M. What is more perplexing is the return on social media adoption. Quota attainment becomes less predictable and the correlation decreases as quotas increase.



The \$5-\$10 million segment represents the second smallest sample size (48) therefore we believe the inconsistency may be the result of a few outliers in the small sample size.

The length of time that sales reps have been using social media as part of their sales process also impacted overall performance.

MISSING QUOTA: 2010-2012



ACHIEVING QUOTA: 2010-2012



EXCEEDING QUOTA: 2010-2012



How much time do reps spend on social media?

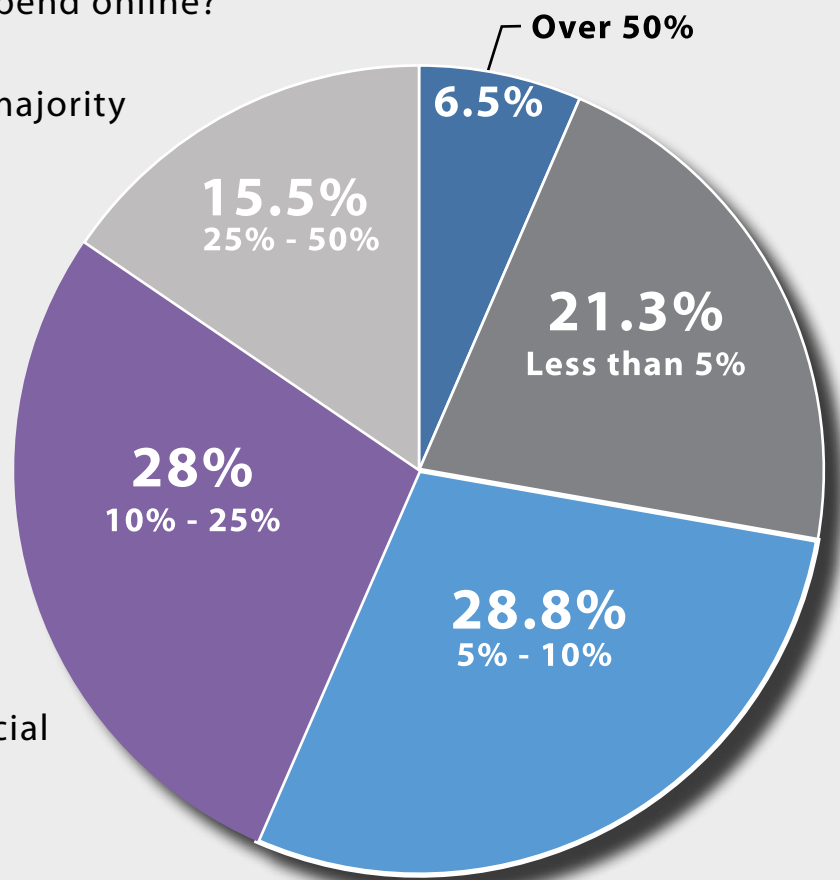
A concern of many sales leaders is that their sales people will spend more time on social media sites than they will spend time selling.



We know that part of that online time IS spent selling, and as we've already shown, sales people who use social media are achieving and exceeding their quotas more often than their peers.

So how much time do sales people using social media spend online?

It turns out that the overwhelming majority – **78.1%** - spend *anywhere from less than 5% of their time to 25% of their time*. More importantly, **50.1%** told us that the time that they spent leveraging social media sites ranges from less than **5%-10%** max. It seems clear that the concern that sales people will waste valuable “selling time” if they use social media is unfounded.



What do you use social media for?

There are varying opinions about how sales people use social media to support their sales activities. Everyone wonders, where does social media

make a difference, where is it most effective? When we asked sales people, their answers weren't that surprising with networking and prospecting as the two most common uses of social media.



What was surprising is that when filtered by the length of time (2 years or longer) sales people who have been using social media, research replaces prospecting as the number two most prevalent use of social media.

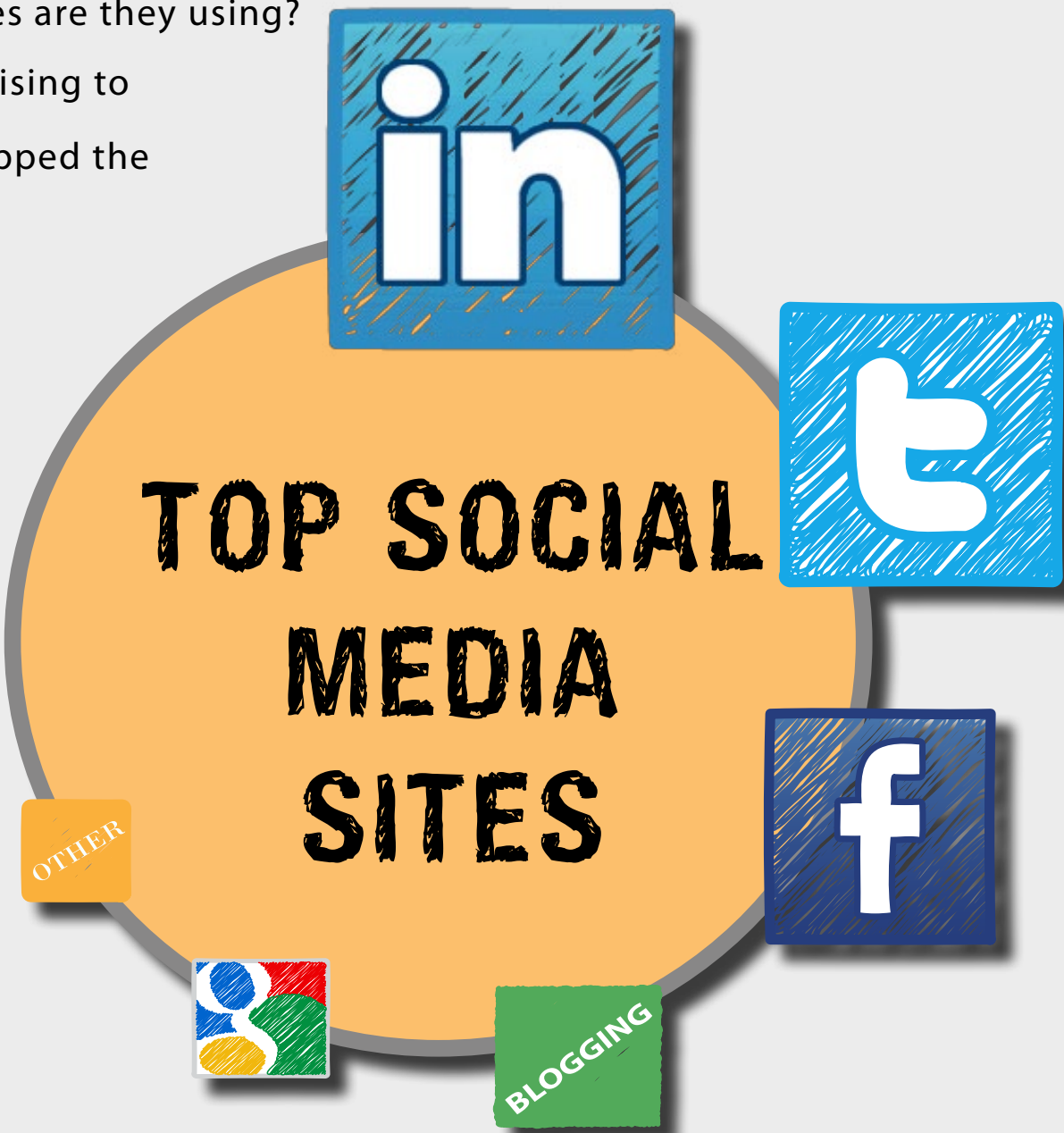
1. Networking
2. Prospecting
3. Research
(#2 for those using SM for 2 yrs or longer)
4. Referral Building
5. Closing
6. Other

Which social media sites do you use?

We were curious. If sales people are using social media to sell, what social media sites are they using?

Again, not surprising to us, LinkedIn® topped the charts by a healthy margin.

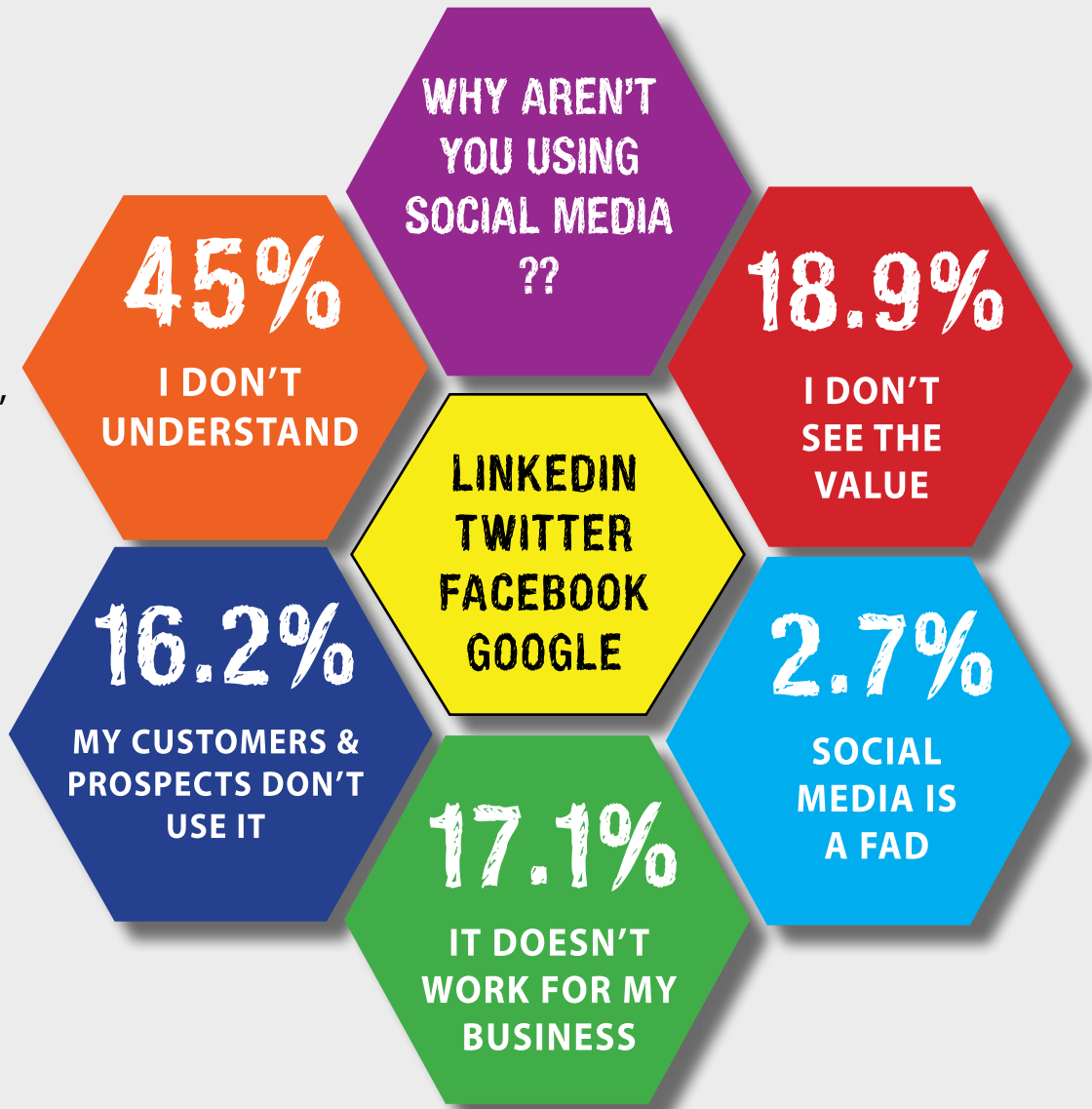
Twitter and Facebook were a strong 2nd and 3rd, while blogging, Google Plus and other were significant laggards.



Why aren't you using social media?

For the **21.7%** of sales people who told us that they are not using social media as part of their selling process, the reasons given ranged from – “I don't understand it” to “social media is a fad”.

Of the **45%** of those sales people who do not use social media, they told us that it was because **they did not understand it**. That is followed by **18.9%** who do not see value in investing sales energy in social and **17.1%** saying that it doesn't work for their particular business. We suggest that the lack of investment in formalized training that companies are making is at the root cause of these issues.



Does your company provide social media training?



Almost 75% of the salespeople surveyed told us that they received no training on how to use social media at all.

As we noted earlier, when sales people are using social media as part of their selling process, they are closing deals. We think that sales leaders need to take a serious look at making the investment in training their sales people to use social media effectively. It is a golden opportunity worth paying attention to.

Consider that with little to no training at all, a large majority of sales people are achieving and exceeding their quota objectives. What would it mean to your sales organizations revenue if investing in training your people could double or triple not only the number of sales people implementing social media into their sales activities, but increase the number of closed deals at the same time?



To Sum It Up

To reach Buyer 2.0, today's sales people must evolve their sales practices to include using social media platforms like LinkedIn, Twitter, Facebook, Blogging, Google+ and more to sell.

Sales people also need to understand that using the technology is only a fraction of the equation. They must also adapt their selling style to provide more value and relevance – in advance of sales opportunities – to their targeted prospects.

Our survey results show that social media positively affects quota and revenue attainment. When sales people use social media as an integral part of their sales process, they significantly outperform their sales peers in terms of closed deals and achieving quota.

Investing in training is an area that sales leaders need to consider more carefully. Making the investment will help top sellers perform at stronger levels and training will also increase the adoption of social media for selling across the sales organization.

Finally, social media's benefit to sales is on the front-end of the sales cycle. Networking, prospecting, lead generation, pre-sales call research; uncovering opportunities by listening for trigger events, customer engagement, or keeping a closer eye on what your competitors are doing is proving to translate into tangible and measurable revenue dollars.

Sales must evolve and adapt to this new selling landscape, because as Jim puts it,

“A lead today can be a complaint on Twitter, a question on LinkedIn or a discussion on a Facebook page.”

About the Authors



Jim (Keenan) is Sr. Partner and Founder of A Sales Guy Consulting, and author of the Top 25 Sales blog, A Sales Guy.

A soldier for sales, finder of the elephant in the room, and a revenue renegade, Keenan has been named one of Sales and Marketing’s most influential people by Top Sales World Magazine and was ranked #7 on Twitter by Radius Intelligence’s list of Top 25 Sales Influencers.

Keenan has been selling as well as running, building, tweaking, disrupting, fixing and flat-out reconstructing sales organizations for almost 20 years. Known for his pragmatic,

straight to the point, no bullshit approach to growing sales revenue, Keenan has been instrumental in helping companies make their number both locally and abroad. Keenan is also creator of A Sales Guy U, the webs fastest growing site for sales resources, videos, eBooks and more.

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Barbara Giamanco is the President of Social Centered Selling, the co-author of The New Handshake: Sales Meets Social Media and author of the Harvard Business Review article Tweet Me, Friend Me, Make Me Buy published in the July 2012 edition.

Known as a Social Selling Rainmaker, sales teams benefit from Barb’s Sales and Social Media Advisory, Speaking and Programs. In 2011 and 2012, Barb was recognized InsideView as one of the Top 25 Influential Leaders in Sales and recently, she was named one of the Top 25 Sales Influencers on Twitter by Radius Intelligence. She has a proven, 30-year track record in generating sales and capped a corporate career at Microsoft, where she led sales teams and coached executives. Throughout her sales career, Barb has sold \$1B in products and services.

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Survey Methodology: A Sales Guy Consulting and Social Centered blind surveyed 511 people. Respondents were found via social media channels, blogs and offline word of mouth. The online survey was available and open to all participants. Links to the survey were readily available via multiple public online channels. Respondents self reported their sales information.