



'14

STATE *of* INBOUND

— SALES EDITION —

... TABLE OF CONTENTS ...

Introduction

CH. 1

*Sales and Marketing
Alignment*

CH. 2

Software & Tools — CRM

CH. 3

*Software & Tools —
Sales Enablement*

CH. 4

2014 — 2015 Priorities



An Introduction

INTRODUCTION

About “State of Inbound: Sales Edition”

For the past six years, HubSpot has published the results of its annual survey, which probes marketers on their challenges, priorities, tactics, and results, in a substantial report branded, “The State of Inbound Marketing.” One notable finding from this year’s report is that inbound methodologies are being used to power not just Marketing, but Sales and, to a lesser extent, Services, too. Thus, we dropped “Marketing” from this year’s title and concurrently launched the first annual State of Inbound: Sales Edition report.

This year, we also surveyed thousands of sales professionals – reps and executives alike – and asked a blend of questions about priorities, technology, efficiency, and results. We produced several dozen graphs, from which we selected only

those that tell a meaningful story about the challenges facing today’s sales professional and the trends that will shape their future.

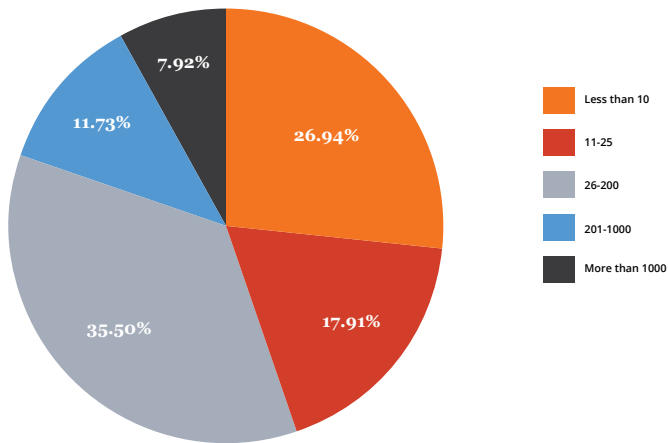
As much as we hope you enjoy reading this report, it’s even more important that you use it. It’s meant to be a functional document. Print it and mark it up. Share it with your boss, your head of sales, the rep who always beats her numbers (or, better still, the rep who is struggling to hit quota). We’ve organized the data into four self-contained sections: Sales & Marketing Alignment, Software & Tools: CRM, Software & Tools: Sales Enablement, and 2014-2015 Priorities. There’s no need to read the report linearly. Dive into whichever section corresponds to your needs, and save the rest for later.

The Four Most Important Takeaways

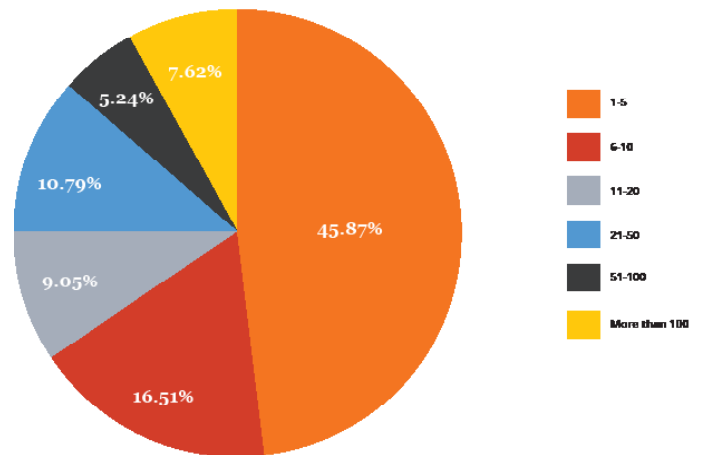
- 1.) Buyers are more equipped than ever with more information about companies** – but sales reps don’t have a similar level of insight into their prospects. Bridging this information gap will help close more leads, a top priority for Sales and Marketing alike.
- 2.) Despite the lack of contextual information about prospects** and the popularity of the term, only 7% of reps and executives are prioritizing “social selling.”
- 3.) “Data integrity and availability”** has become one of the biggest challenges facing Sales today.
- 4.) CRM utility is low** – executives struggle with its lack of integration with other tools, while reps struggle with manual data entry. The latter struggle is twice as pronounced in B2B companies compared to B2C companies.

Survey Respondent Demographics

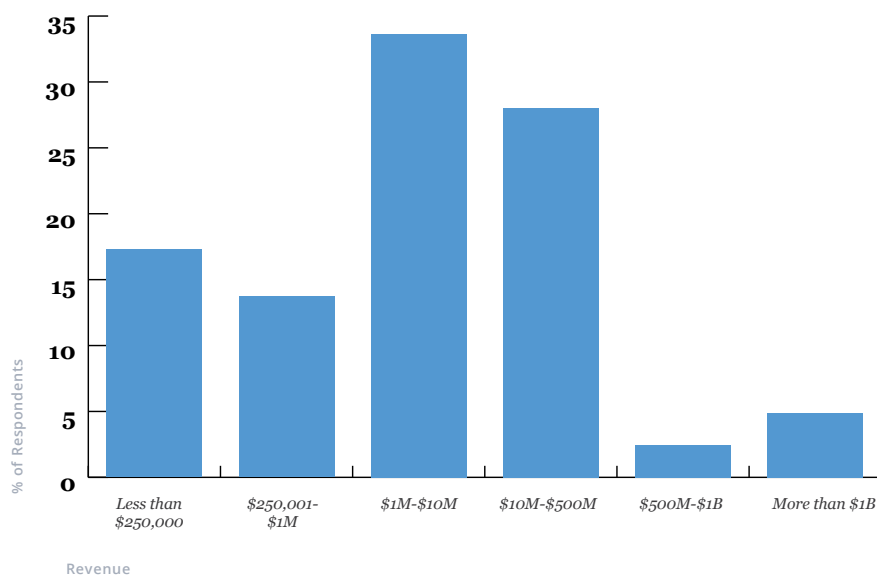
HOW MANY FULL TIME EMPLOYEES DOES YOUR COMPANY HAVE?



HOW MANY FULL TIME SALES REPS DOES YOUR COMPANY EMPLOY?



WHAT BEST DESCRIBES YOUR COMPANY'S AVERAGE ANNUAL REVENUE?





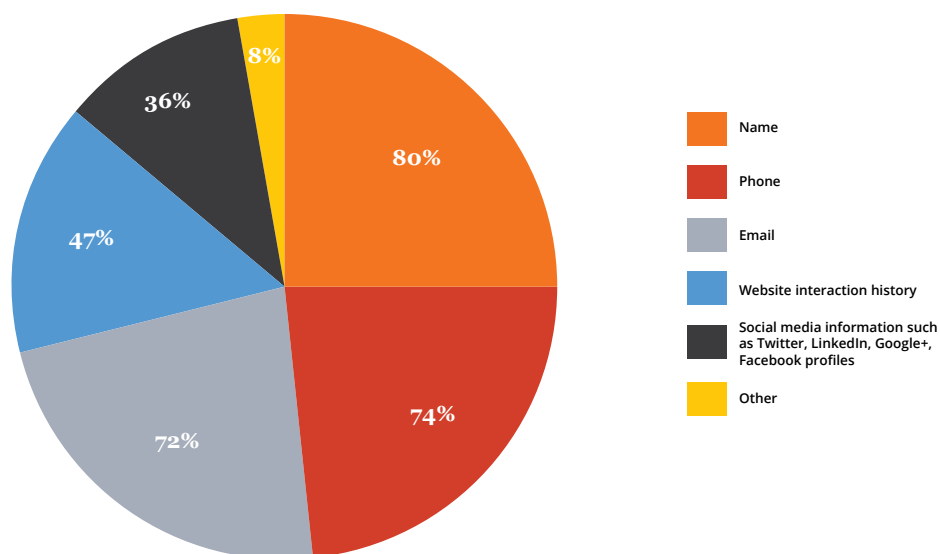
CHAPTER ONE

Sales and Marketing Alignment

The historical tension between Sales and Marketing has been cited so often that to mention it as the basis for this opening chapter seems trite. However, as more companies adopt inbound marketing (a shift that begins predominantly in Marketing before it expands into Sales and Services), the importance of alignment can't be ignored.

We surveyed both Sales and Marketing professionals to better understand where they're aligned and where they are divided. We also asked about results to identify the extent to which results are carrying over to Sales teams. The data reveals several opportunities for Marketing to better align its inbound results with Sales.

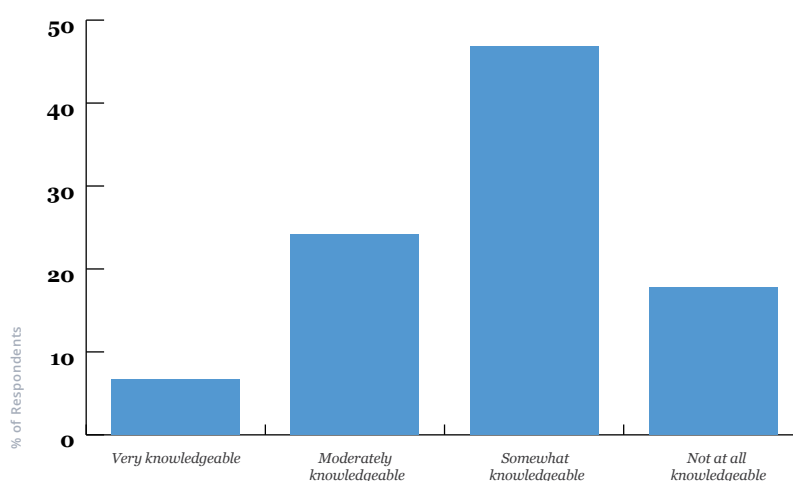
HOW MUCH INFORMATION DOES SALES HAVE ABOUT A PROSPECT BEFORE REACHING OUT?



Even cold callers have a phone book. With more than 80% of marketers focused on generating inbound leads, conventional fields like name, email, and phone number provides only a base level of actionable information. Fortunately, almost half of sales respondents are also armed with a prospect's website interaction history before they begin the sales process. The other half of respondents likely face technology issues due to a lack of integration between Sales and Marketing tools – but more on that in Chapter 2.

There's still a huge opportunity to be tapped by supplementing the information already available to reps with social media information. With only 36% of respondents gathering or receiving prospects' social media information, a more comprehensive picture of each prospect can still be painted.

HOW KNOWLEDGEABLE ARE YOUR PROSPECTS ABOUT YOUR COMPANY BEFORE YOUR SALES REP(S) MAKES THEIR FIRST CONTACT WITH THEM?



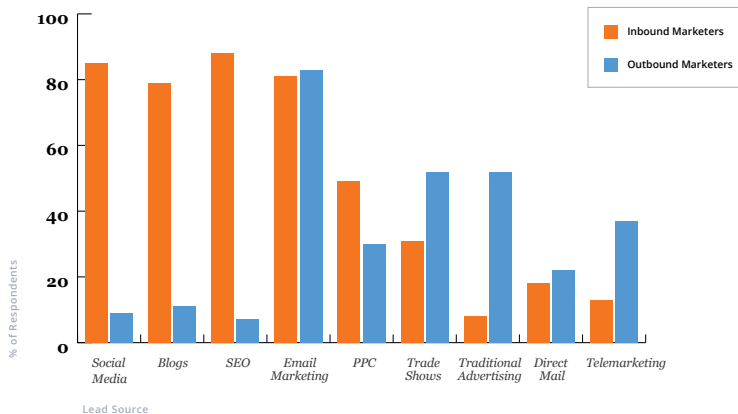
Prospects' Knowledge about Your Company

Prospects these days are knowledgeable about the companies with which they're speaking, with 81% of sales professionals indicating their prospects are at least somewhat knowledgeable about their company before a sales rep even makes contact. For some reps, prospects have more information available about the company than reps have about their prospects – a reflection of the ongoing shift in power tipping from Sales to the consumer. With the majority of reps only having basic demo information, compared to 92% of prospects with more robust knowledge about the company they're considering, it's no wonder it's hard to close deals. This illustrates the importance of reps acquiring more contextual information from Marketing, social media, and technology to help round out their prospect profile more robustly -- so they're better equipped to sell to warmer leads.

What does all of this have to do with Sales and Marketing alignment? Marketing is sourcing inbound leads (see chart below) – but inbound leads are only as good as the contextual information that comes with them to help close deals

WHICH LEAD SOURCES HAVE BECOME MORE IMPORTANT (OVER LAST 6 MONTHS)

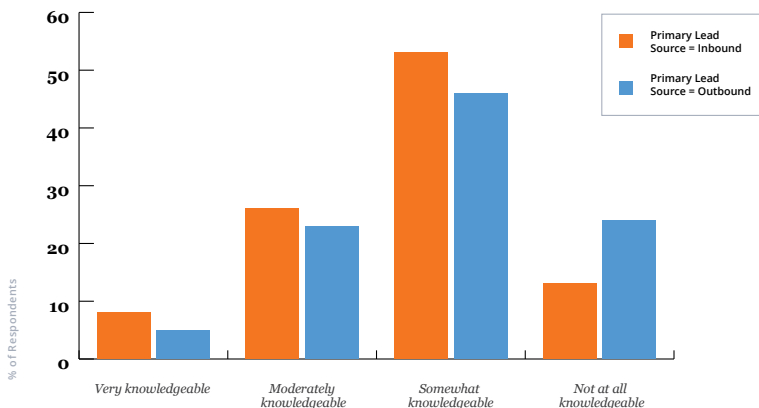
Outbound marketers are placing minimal importance on core inbound channels



Marketers are sourcing more and more digital inbound leads for sales – that by their very nature come packed with information. These leads are also more informed compared to outbound leads, further emphasizing the importance of Sales having the information they need to work these leads:

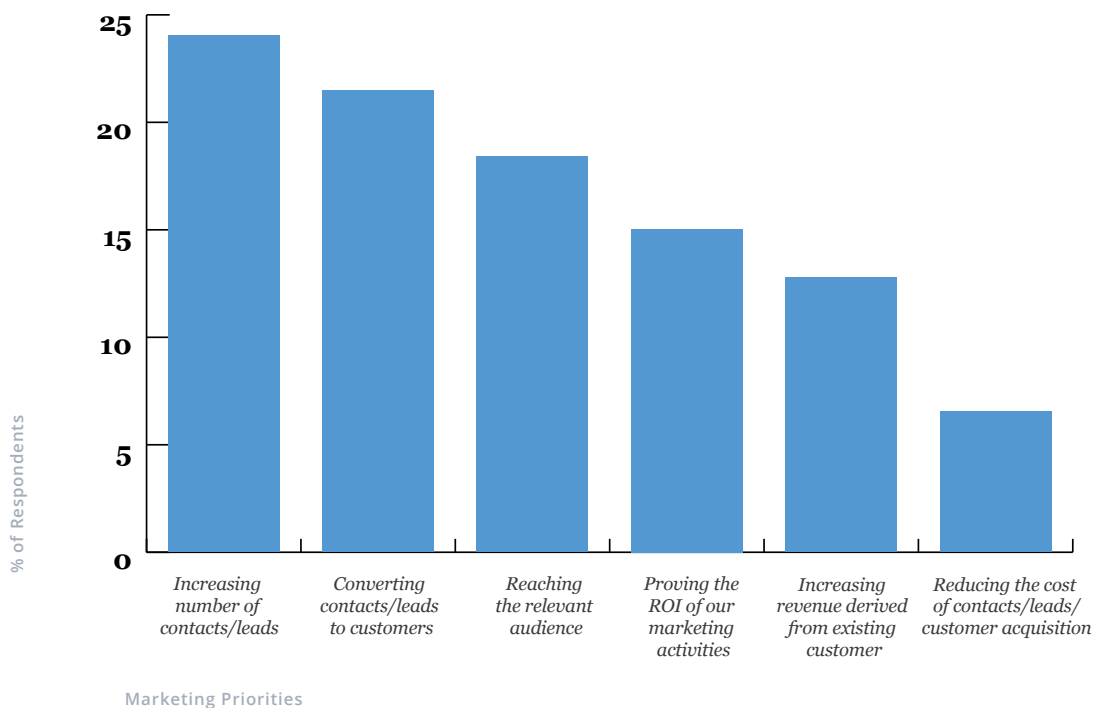
HOW KNOWLEDGEABLE ARE PROSPECTS ABOUT YOUR COMPANY PRIOR TO SPEAKING WITH SALES?

Inbound marketers create more knowledgeable prospects



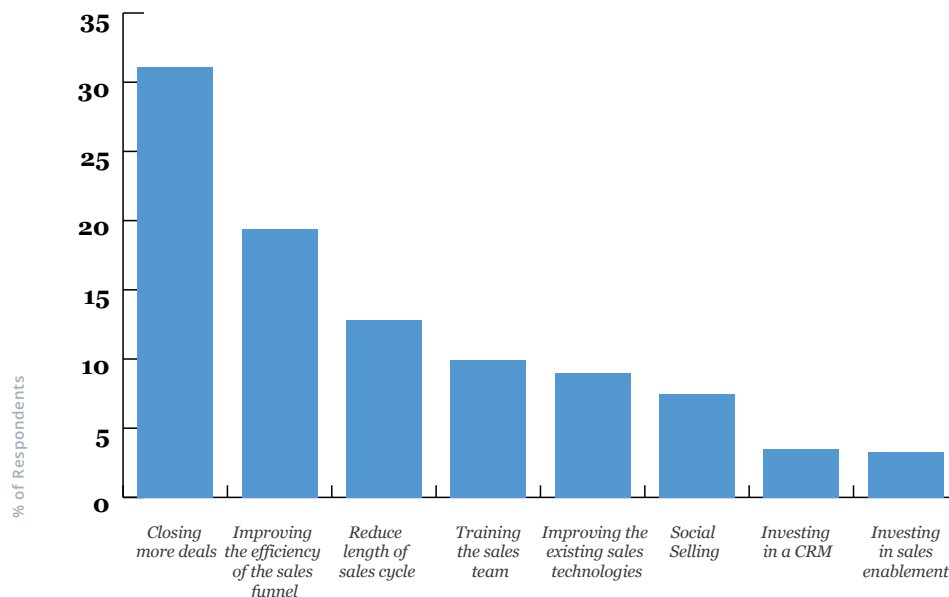
With Sales and Marketing alike interested in inbound leads (though Sales still, admittedly, gravitates toward outbound channels more than their marketing counterparts), is there anything Marketing is doing to help reps make better use of the inbound leads being generated? In a word, yes. Respondents indicated an interest in helping Sales make better use of the leads being generated – citing bottom-of-the-funnel (BOFU) conversions as their biggest priority behind net new lead gen. In fact, this is their biggest priority over the coming year, trailing only net new lead generation as a top priority:

WHAT ARE MARKETING'S TOP PRIORITIES FOR THE NEXT YEAR?



Do Marketing's priorities align well with Sales' priorities? The data suggests the two departments are more aligned than you'd think. Marketing is interested in generating more warm leads and helping Sales convert them into customers more efficiently; Sales is prioritizing closing more leads into customers, and doing so more efficiently (as evidenced in the chart below):

WHAT ARE YOUR COMPANY'S TOP SALES PRIORITIES FOR THE NEXT YEAR?

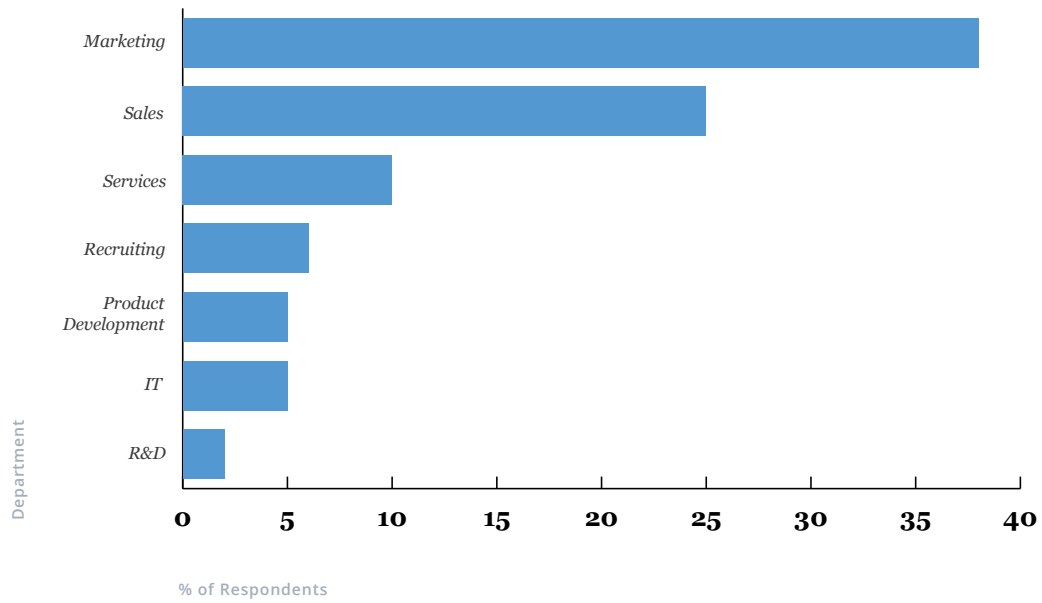


While the top three priorities for Sales and Marketing leaders all directly or indirectly contribute to closing more deals, it's worth noting that “social sales” is cited as a priority for just over 7% of respondents. This is inconsistent with Google Trends data, which shows “social selling” as a term rising dramatically in popularity. Whether social sales is more sizzle than steak -- or the practice simply hasn't caught up with the buzz -- what remains clear is there is a missed opportunity here to capture critical contextual information that makes warm leads even warmer, particularly when you consider nearly 70% of sales professionals cite social media-sourced leads as the most important leads in the first two quarters of 2014.

The most encouraging data for the story of Sales and Marketing's evolving relationship is that Marketing is no longer the only department leading the inbound charge. This year, 25% of companies have a sales organization invested in inbound:

WHICH DEPARTMENTS IN YOUR COMPANY PRACTICE INBOUND?

Inbound is not limited to Marketing





CHAPTER TWO

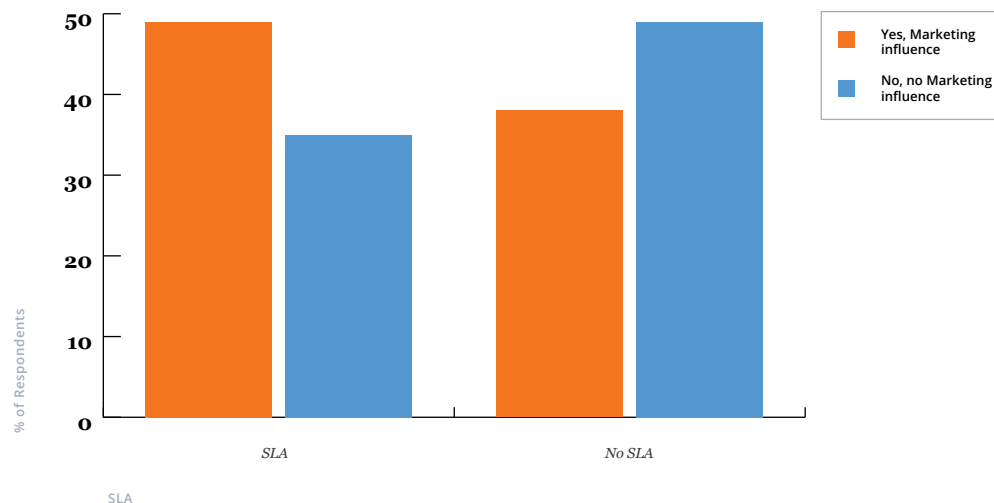
Software & Tools — CRM

We surveyed sales practitioners and executives about CRM to understand how this critical piece of sales technology is being used, and to learn respondents' opinions of its functionality. Not to spoil the ending, but neither sales executives nor sales reps report that they're getting what they need out of their current software; both groups feel the technology is not designed around a modern sales force's needs. If you're not getting as much out of your lead and customer data storage technology as you'd like, take heart in knowing you're not alone.

Fresh off the heels of our Sales & Marketing Alignment chapter, let's first take a look at the influence Marketing has in the sales software selection process:

DOES MARKETING INFLUENCE SALES SOFTWARE SELECTION?

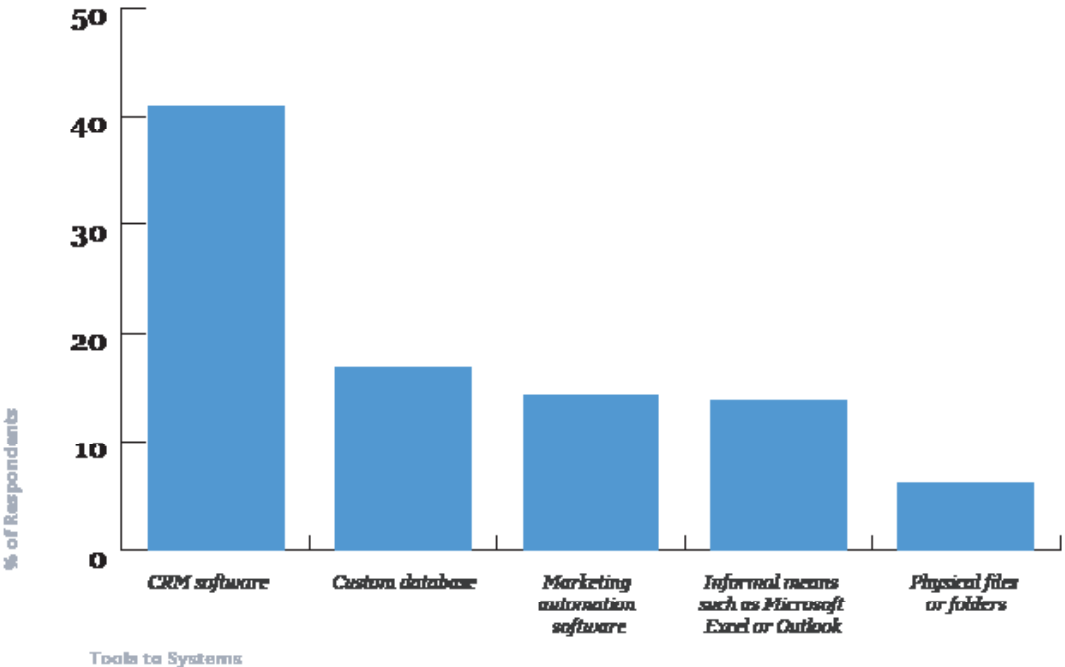
Companies with a sales/marketing SLA are more likely to involve both groups in sales software selection



Companies with a closely aligned Sales and Marketing operation – as indicated by the presence of an SLA – tend to have more Marketing influence in the sales software selection process. We predict companies with better-aligned Sales and Marketing teams -- and by extension software purchase processes that reflect that alignment -- will experience less trouble collecting, finding, and using actionable prospect data because the technology alignment will be an extension of the human alignment.

We've teased enough about the problems sales organizations are having with data, so let's start by examining where businesses are storing that data:

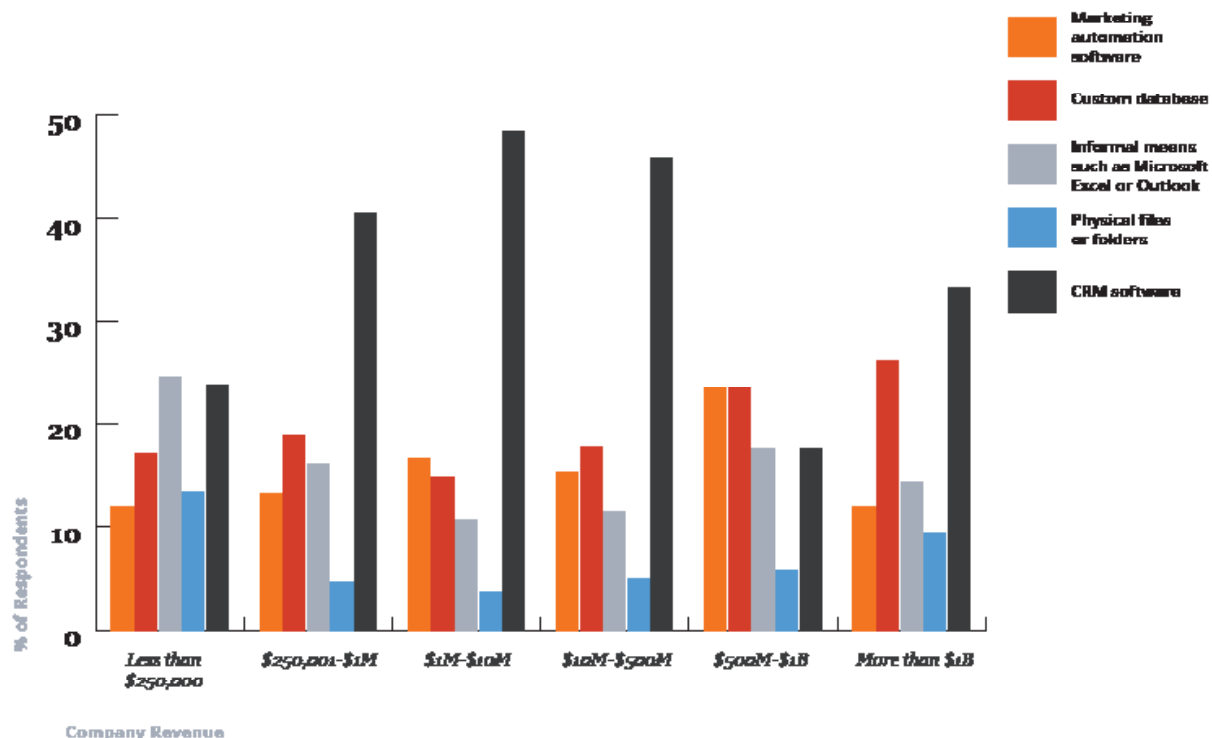
WHAT TOOL OR SYSTEM DOES YOUR ORGANIZATION USE TO STORE ITS LEAD AND CUSTOMER DATA?



While CRM is clearly the primary method being used to store lead and customer data, there's still 56% of the market not making use of a CRM (one write-in respondent is still using "yellow notebooks"). Notably, some respondents have double-dipped – meaning the tools they're using to store data are individually insufficient, so they supplement one system with another.

Business maturity matters, too. As one would expect, enterprises are investing in expensive custom databases more than small- and mid-size businesses, but the need for this investment is reflective of a larger problem. Companies are struggling to manage their lead and customer data with current tools – whether due to limited features or lack of integration (more on that shortly).

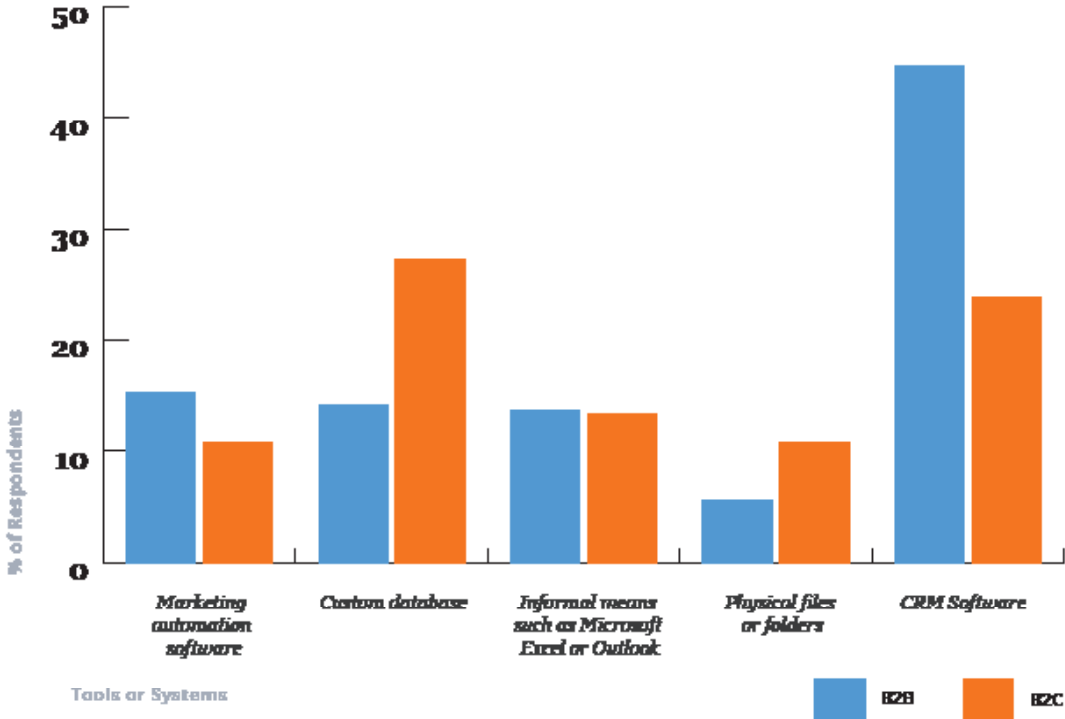
WHAT TOOL OR SYSTEM DOES YOUR ORGANIZATION USE TO STORE ITS LEAD AND CUSTOMER DATA?



Just as important as the enterprise's difficulty in finding a single-source solution is the trend in mid-size companies' reliance physical storage – as in, files and folders – for lead and customer data storage. While expected for the startup and SMB who may struggle to afford the investment in their early stages of growth, still, half of mid-size companies appear to be waiting to make the leap to a full-fledged CRM.

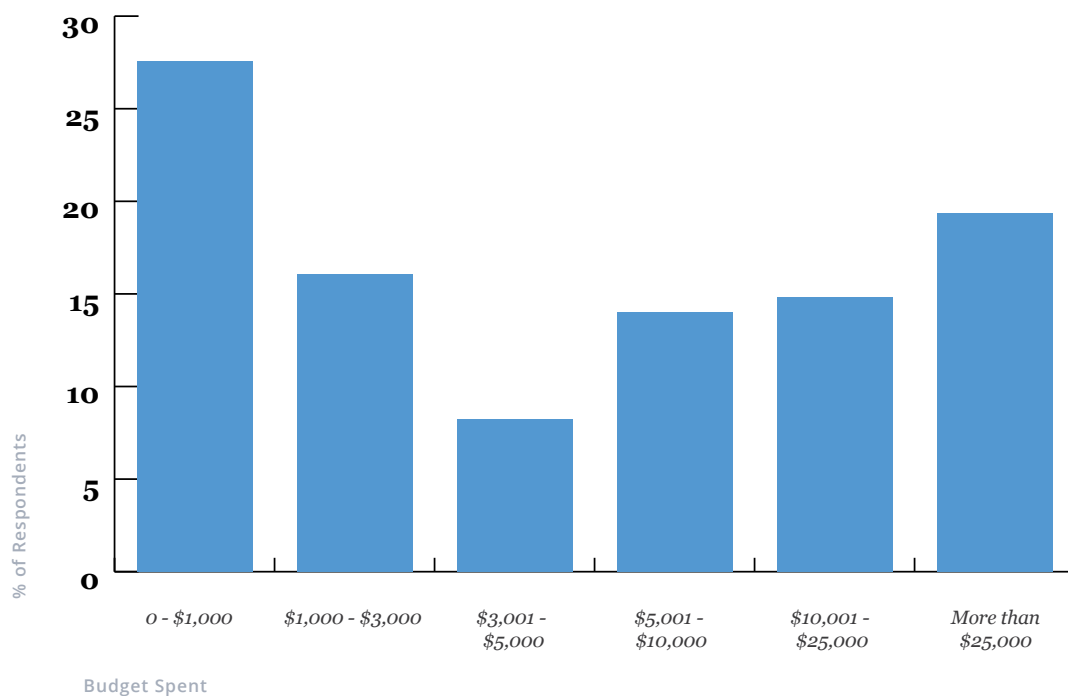
Why the reluctance? It's not sticker-shock alone, considering some of these SMBs and mid-size companies are still investing in custom databases – an expensive endeavor with initial and ongoing costs that could even surpass the cost of CRM software. This trend is even more pronounced in B2C companies (where 30% of respondents indicate investing in a custom database) than B2B, presumably due to complex data needs that are closely tied to prospects' onsite activities:

WHAT TOOL OR SYSTEM DOES YOUR ORGANIZATION USE TO STORE ITS LEAD AND CUSTOMER DATA?



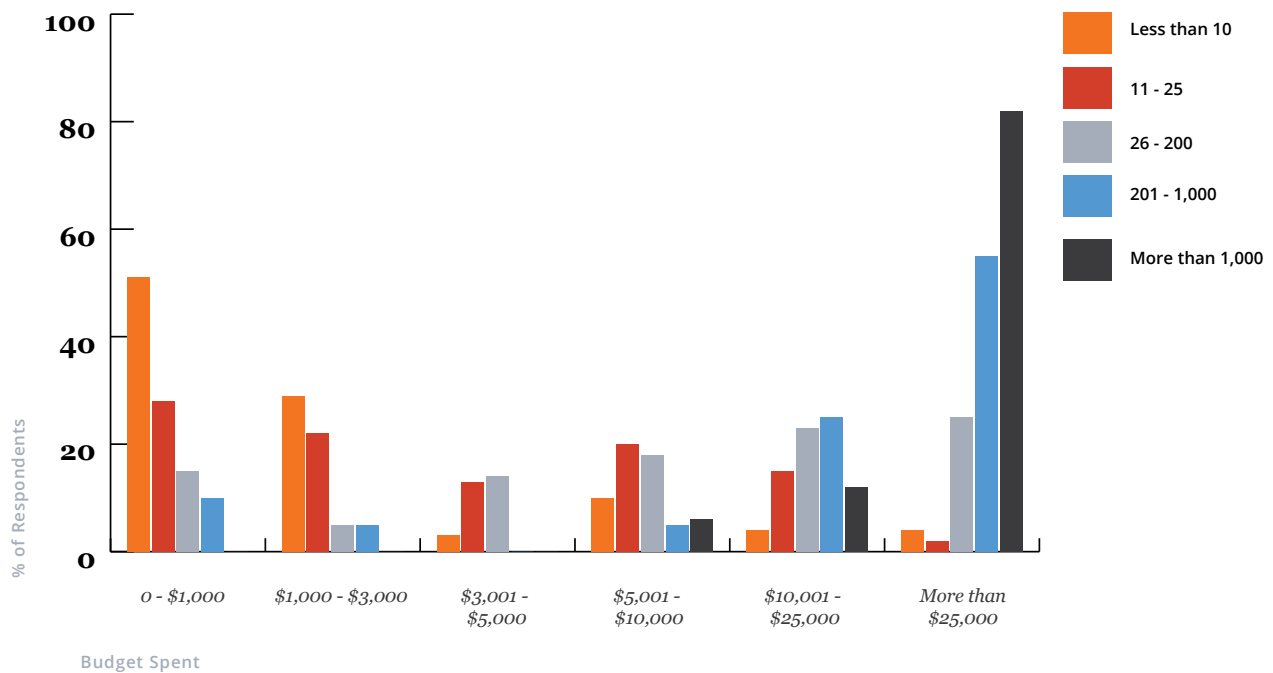
Responses from sales leaders indicate the hesitancy may come from some of the critical challenges those with a CRM already face – in other words, those without a CRM would like to delay the inevitable headache as long as they still can. Let's examine some of the issues CRM purchasers and users are facing, beginning with costs:

HOW MUCH BUDGET DID YOUR COMPANY SPEND TO GET YOUR CRM SYSTEM RUNNING AND INTEGRATED INTO YOUR TEAM'S PROCESSES?



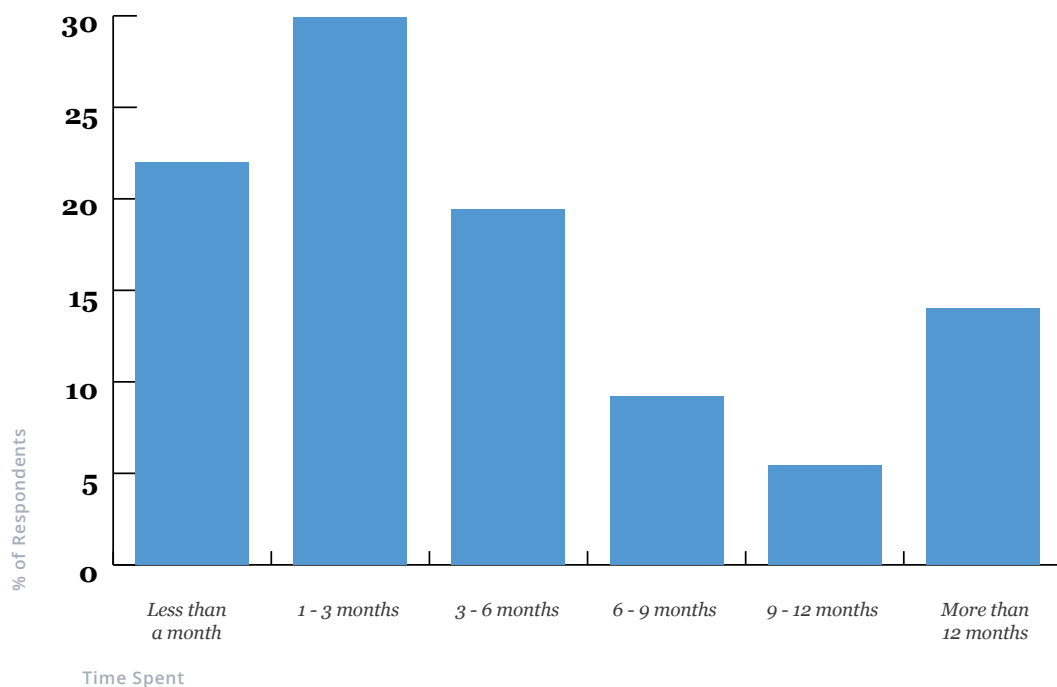
Excluding time and resources, businesses spend anywhere from \$1K to \$25K+ just to purchase their CRM software and get it up and running. Of course, company size and CRM spend positively correlate. Smaller businesses tend to spend far less – companies with less than 10 employees almost universally budget only \$1-3K on CRM software.

HOW MUCH BUDGET DID YOUR COMPANY SPEND TO GET YOUR CRM SYSTEM RUNNING AND INTEGRATED INTO YOUR TEAM'S PROCESSES?



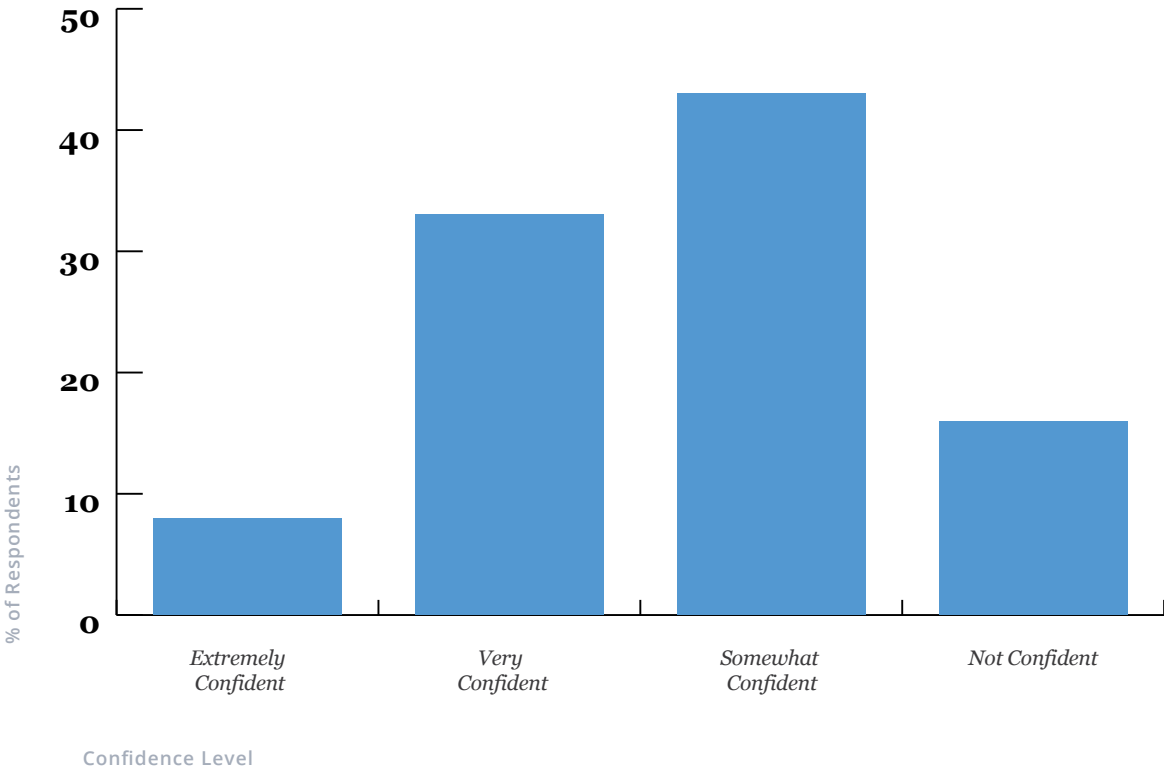
The total cost of CRM extends well beyond upfront monetary costs. It also needs to factor the time and resources required to implement, integrate, and train on the software. To get a sense of the “hidden” costs of a CRM implementation, consider that nearly half (48%) of respondents spend more than 3 months on integration, 14% of which invested a year or more:

HOW MUCH TIME DID YOUR COMPANY SPEND TO GET YOUR CRM SYSTEM RUNNING AND INTEGRATED INTO YOUR TEAM'S PROCESSES?



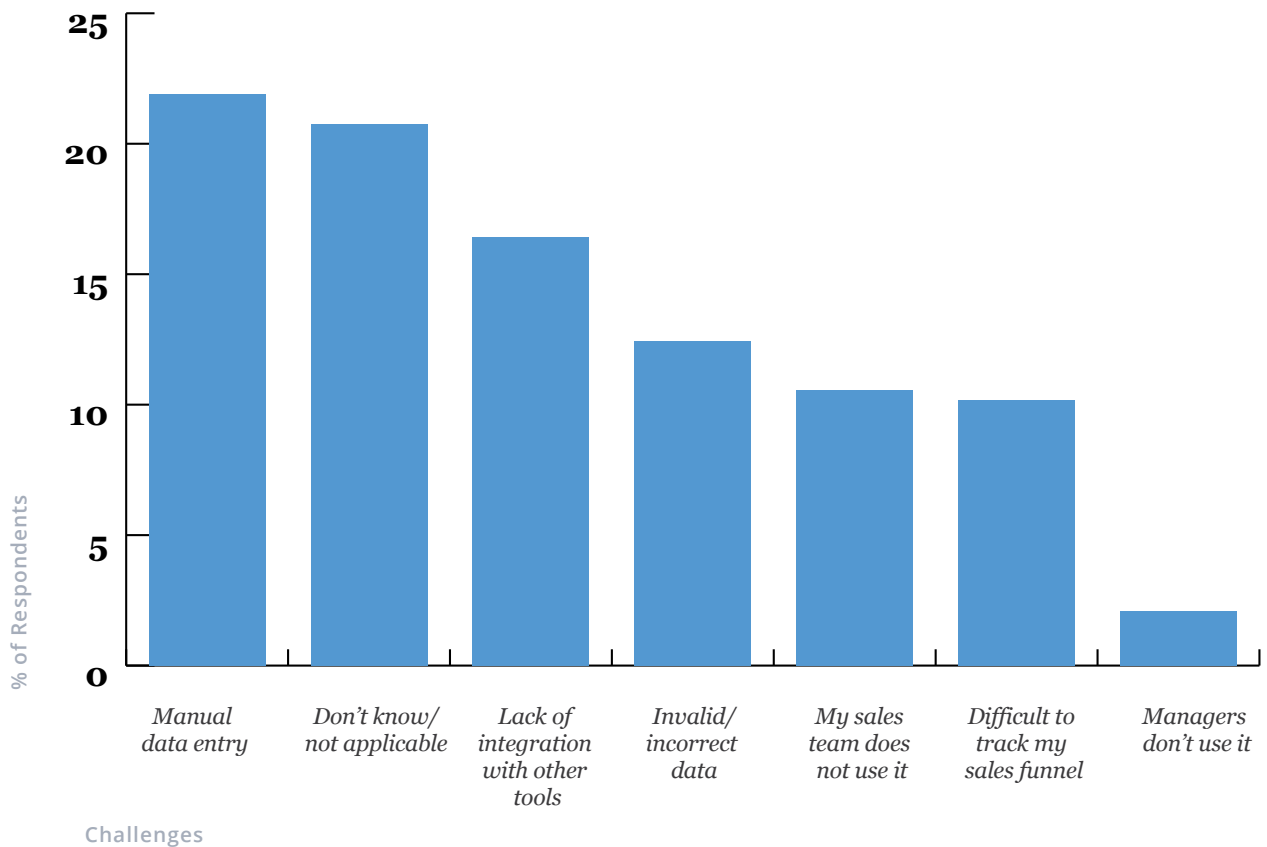
Once integration is complete, what do CRM users think of the software? Apparently, not much. Well over half (59%) of sales professionals are less than confident in the completeness of data in their CRM system:

CONFIDENCE IN COMPLETENESS OF CRM DATA



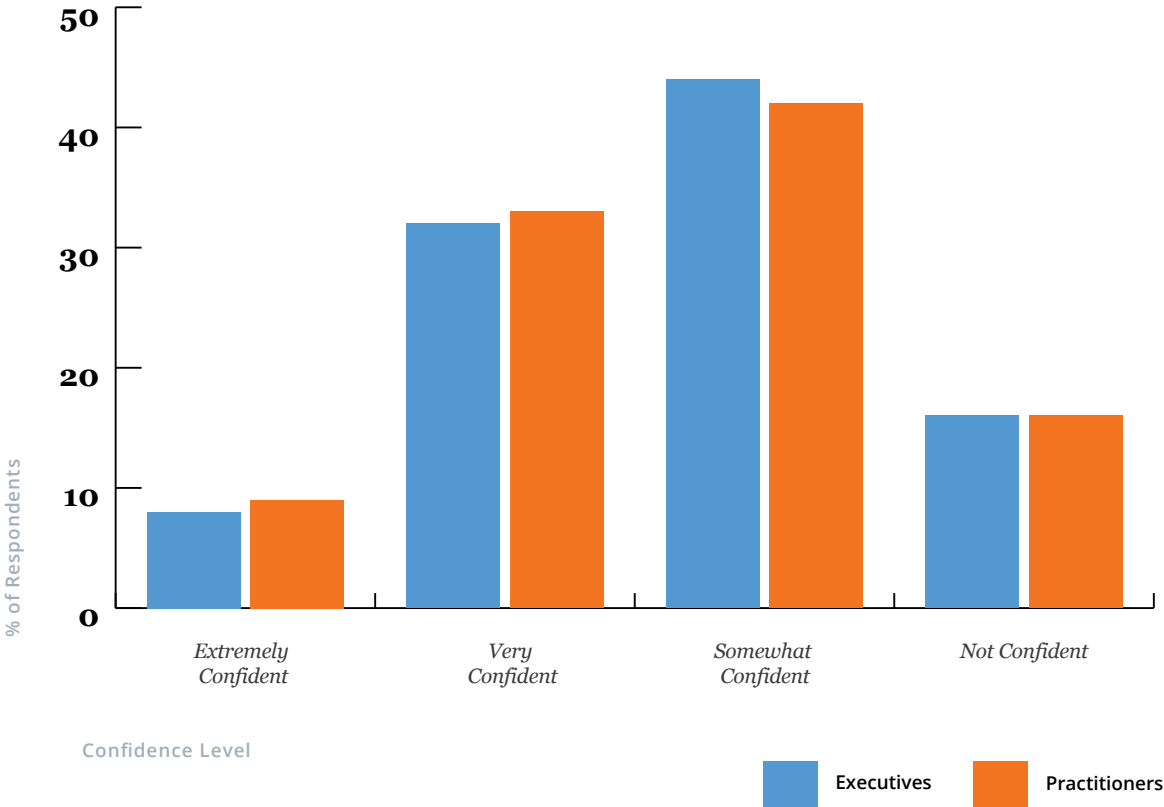
Where do the issues lie, then? Satisfaction is hampered largely by issues with data and integration:

WHAT IS YOUR BIGGEST CHALLENGE IN USING YOUR EXISTING CRM?



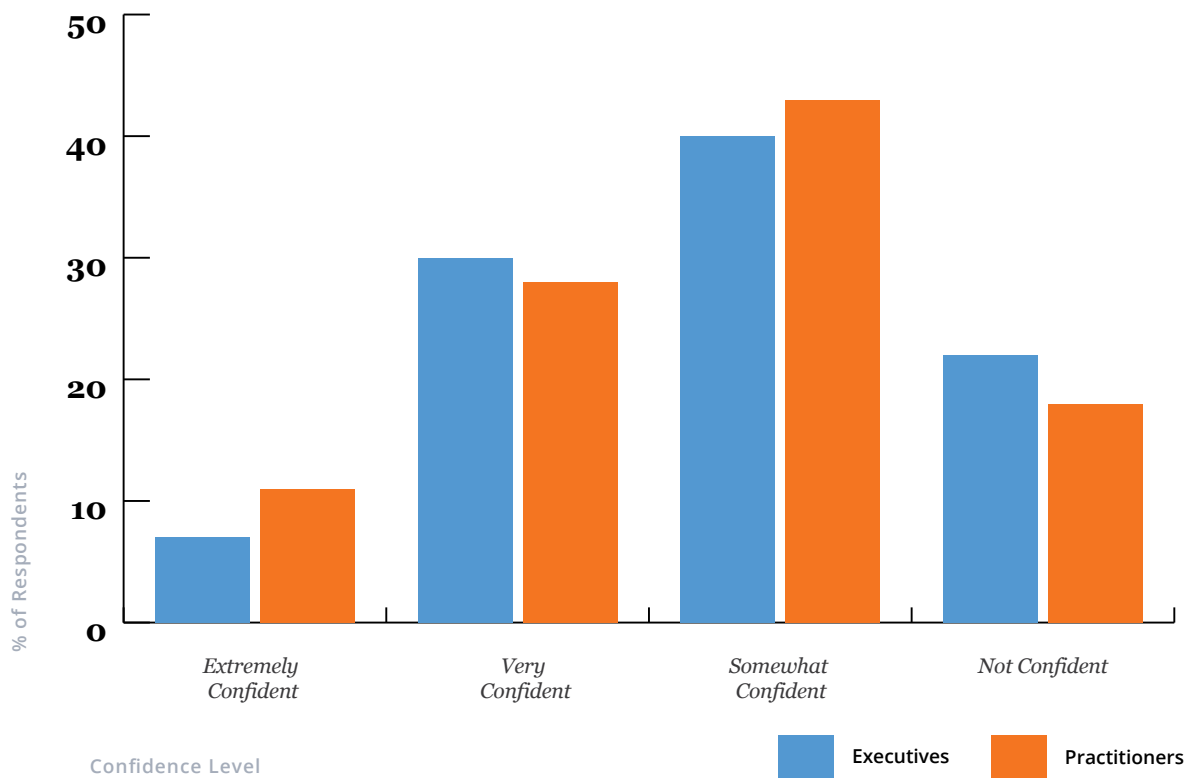
While some sales practitioners and executives are confident in their CRM's data – far more are not. 60% of executives are only somewhat confident or not at all, while 58% of sales reps and managers report feeling the same way:

CONFIDENCE IN COMPLETENESS OF CRM DATA



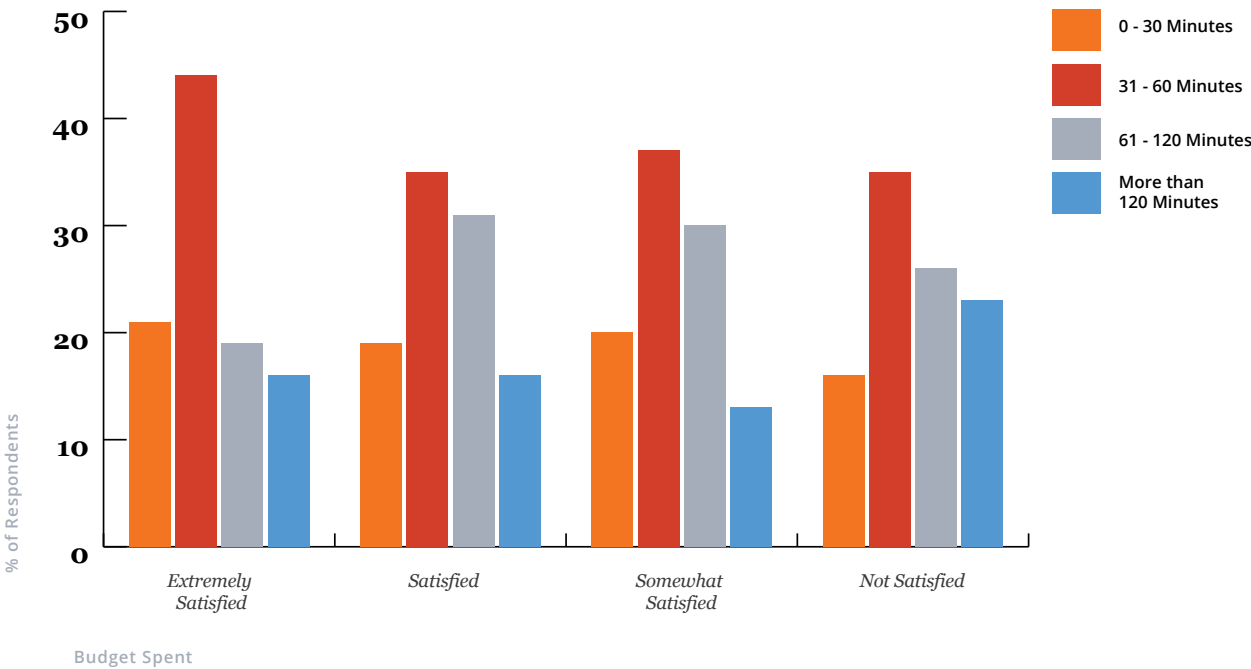
When asked about their confidence in another common usage of CRM – sales funnel management – executives and practitioners tell a similar story; 62% of sales executives and 61% of sales practitioners are only somewhat confident or not at all confident in their CRM's sales funnel management abilities:

HOW CONFIDENT ARE YOU IN YOUR CRM'S SALES FUNNEL MANAGEMENT ABILITY?



There's a clear negative correlation between CRM satisfaction and time wasted post-integration, too. Consider the following chart, that reveals how much time is spent manually entering data into a CRM compared to the satisfaction level of respondents:

TIME SPENT ON MANUAL DATA ENTRY VS. CRM SATISFACTION LEVEL



CRM satisfaction can hinge on a surprisingly simple metric: how much time does sales personnel spend manually entering data. Data entry time negatively correlates to user satisfaction. Practitioners and executives alike prefer time spent selling to time spent on manual tasks that software should help avoid – particularly after a resource-heavy purchase and integration.



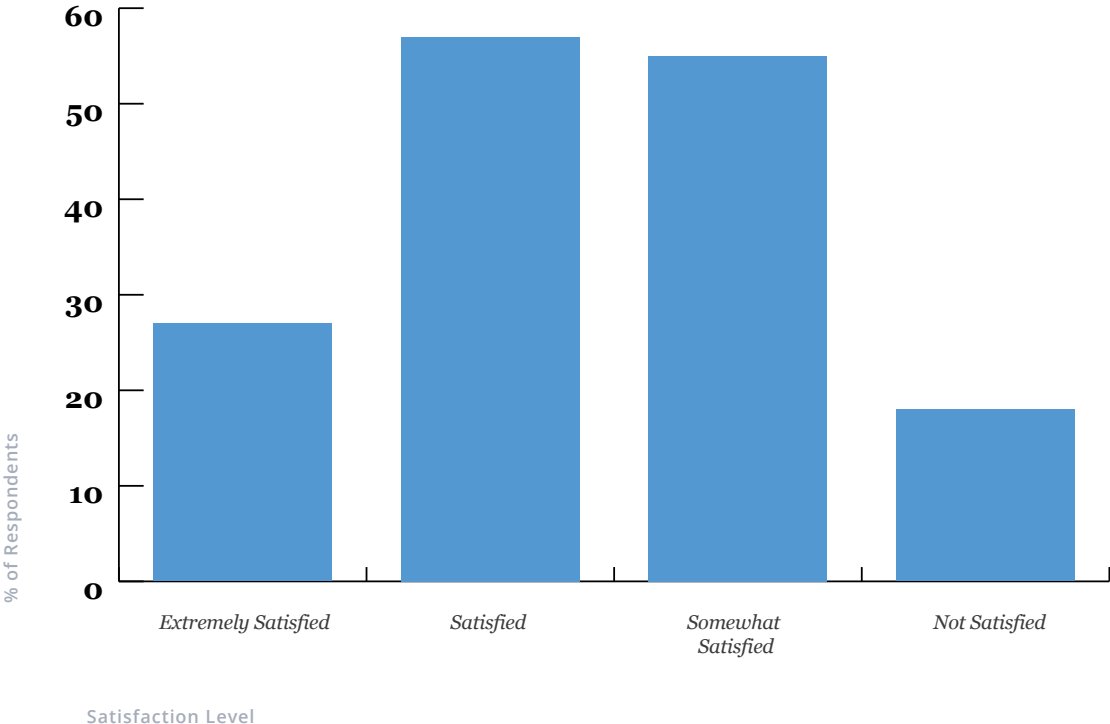
CHAPTER THREE

*Software & Tools —
Sales Enablement*

While there are important content and organizational components to sales enablement, for inbound and inside sales teams, software is paramount to bringing structure to the efforts. Our goal in this chapter of the report is to present the executive view of the sales enablement software landscape that illustrates how sales is investing in enablement software solutions. So, we started by asking sales leaders and reps about the breadth of software they use. Answers spanned 30 different pieces of software – from Sidekick to SalesLoft to ClearSlide.

We also found that while the sales enablement software landscape spans dozens of brands, the number of sales organizations embracing actual software is split. 60% of respondents have embraced sales enablement software, but 40% still have not. Their satisfaction with that software is similarly split. About half of sales enablement software users are satisfied with its performance (54%), while the other half are underwhelmed (46%).

SALES ENABLEMENT PLATFORM SATISFACTION (E.G. CLEARSLIDE)

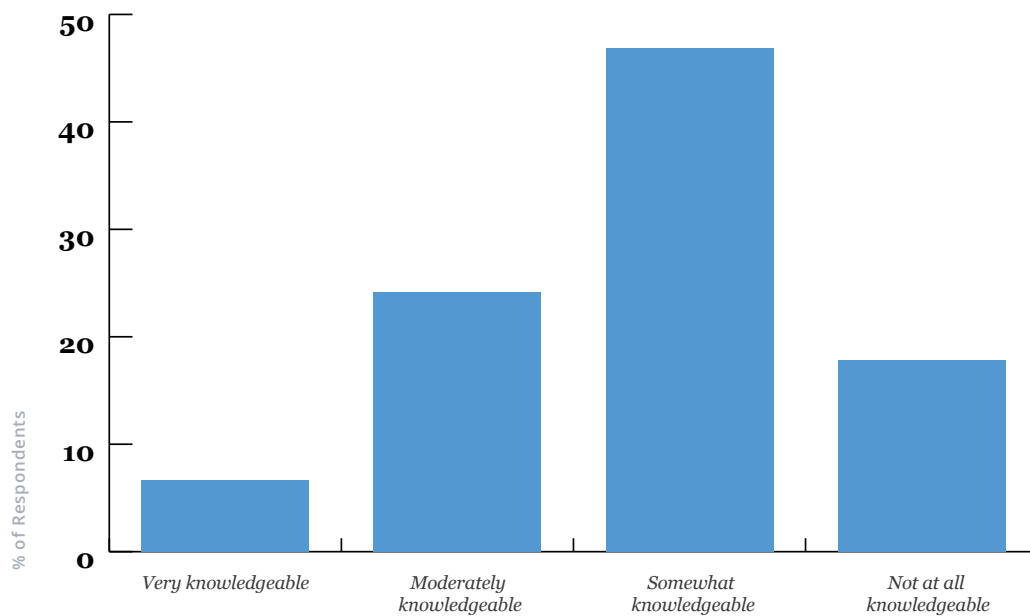


What's leaving the other half of sales teams unhappy with their sales enablement software? Data, effort, and accuracy.

1.) Reps don't have as much information about prospects as the prospects have about the company.

Beyond the basics of name, phone number, and email address, reps don't have a lot of information about their prospects the first time they make a call. Only 15% have access to website interaction history; worse still, only 12% have social media information. But the trend is completely opposite for prospects:

HOW KNOWLEDGEABLE ARE YOUR PROSPECTS ABOUT YOUR COMPANY BEFORE YOUR SALES REP(S) MAKES THEIR FIRST CONTACT WITH THEM?



Prospects' Knowledge about Your Company

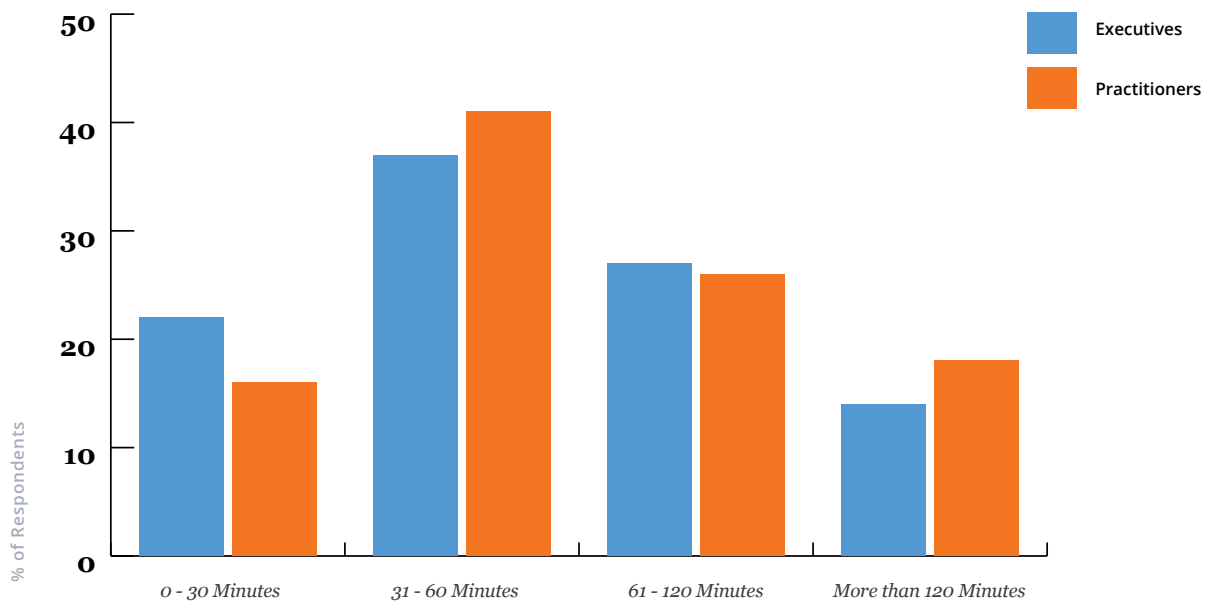
Most prospects are equipped with knowledge about the company from which reps are calling, and it puts reps at an unnecessary disadvantage considering the wealth of information available. Sales enablement tools that

are equipped to take information from social media and historical website interactions then distill that for reps to use in the active sales process may help alleviate some dissatisfaction.

2.) Manual data entry takes up too much time.

If reps are getting information from their sales enablement tools (or via other means), there's a good chance it's not all getting into their CRMs. That's because manual data entry takes time – too much time for many reps and even execs:

TIME SPENT ON MANUAL DATA ENTRY



Budget Spent

Manual data entry is cited as a big challenge for sales organizations in 2014-2015 – nearly 30% of sales professionals cited it as their top challenge (see “Sales’ Biggest CRM Usage Challenges” in Chapter 2). Sales enablement software that’s integrated with the lead or customer data storage solution presents an opportunity to cut down on this manual data entry time.

3.) Prospect data is either inaccurate, missing, or both.

Integrating sales enablement software with your other tools also cures an ill for many executives who deal with inaccurate or missing data. By removing the manual component of entering data collected from sales enablement software, executives can expect a more accurate and complete picture from their CRM systems.

Despite sales enablement software being a solution to some of these core challenges, it's also not a priority for the vast majority of respondents. In fact, it's the lowest priority for the majority of sales professionals – only 3% included it on their priority list at all. Similarly low on the priority list are related fields – social sales (7% listed this as a priority) and improving existing technologies (9%).



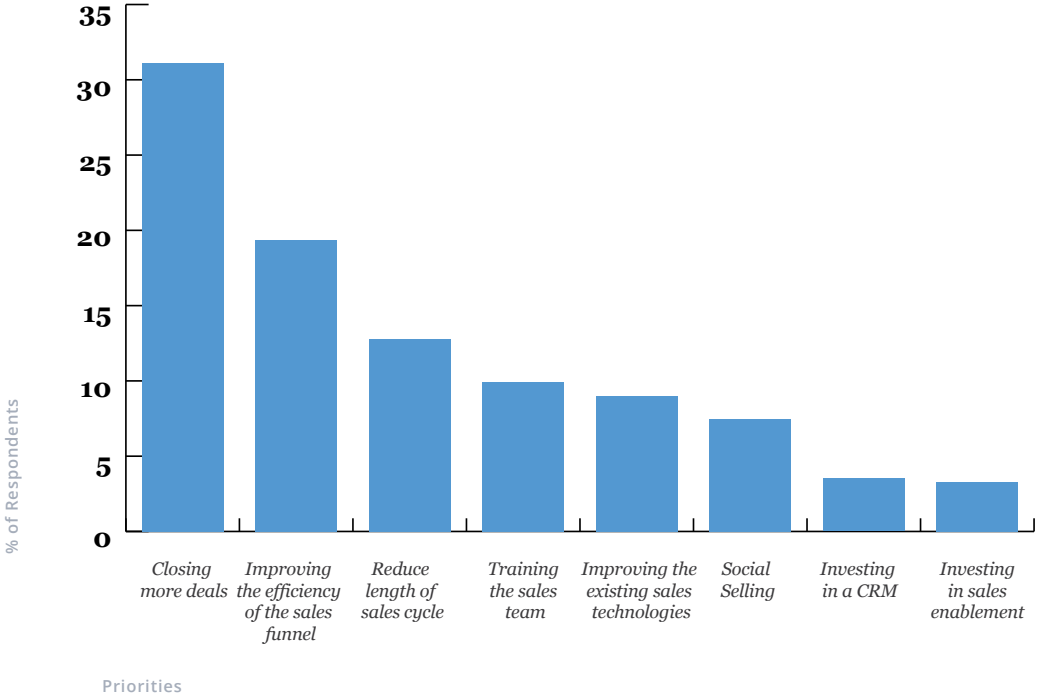
CHAPTER FOUR

2014 — 2015 Priorities

Throughout this report we've outlined the challenges sales reps and executives are facing, how they're working with internal departments and with software to fix those, and where new opportunities may lie to improve performance. With that in mind, where do priorities lie over the next year for sales professionals?

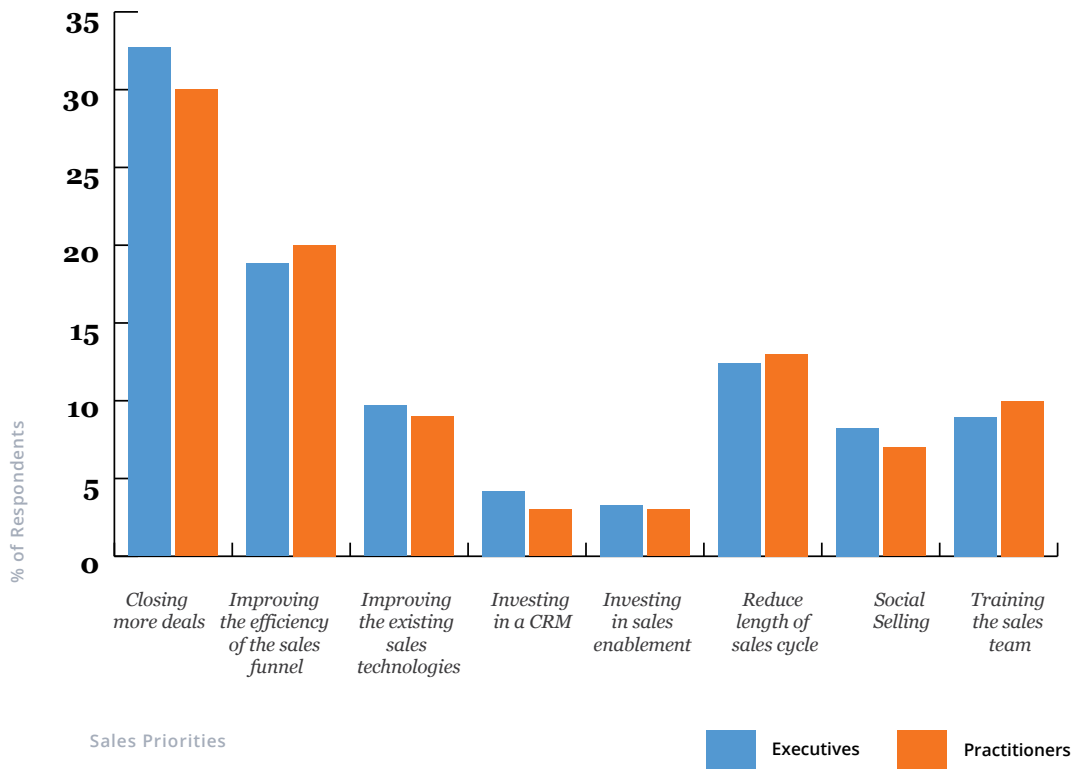
Predictably, sales professionals are concerned first and foremost with closing more deals. The next highest priority is improving the efficiency of the sales funnel (19%) followed by reducing the length of the sales cycle (13%) – priorities that align closely with driving more revenue with the database you already have. Notably, priorities that require “investing” – investing in a CRM, investing in sales enablement – are the lowest priority. Sales professionals are looking to get more revenue from the operation they're running, not by adding layers of solutions.

WHAT ARE YOUR COMPANY'S TOP SALES PRIORITIES FOR THE NEXT YEAR?



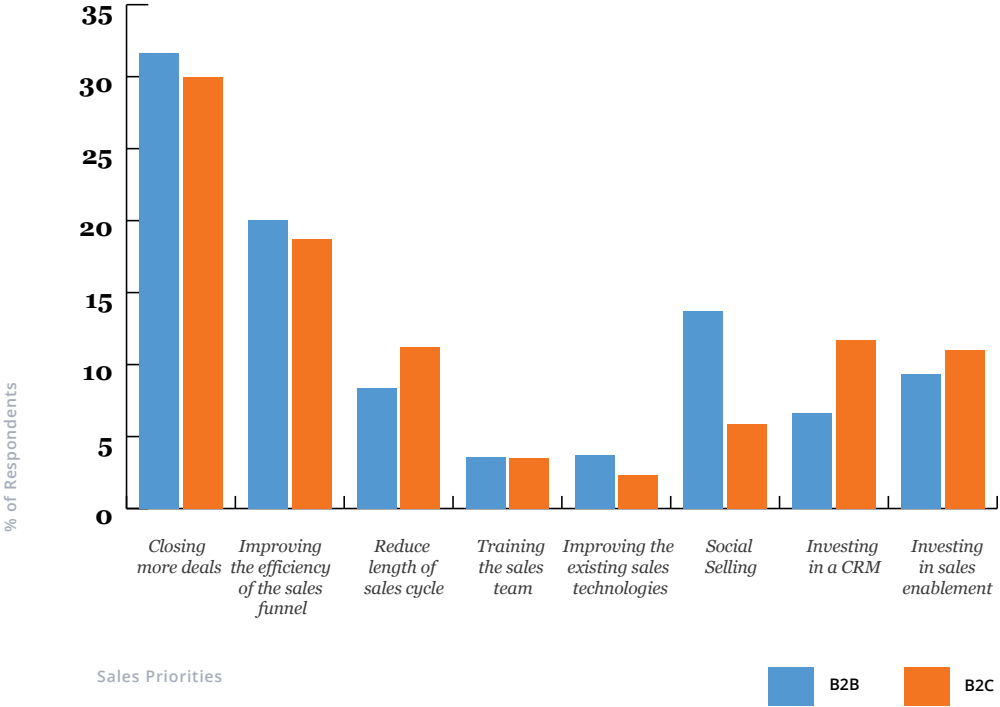
When comparing sales practitioners' priorities with sales executives', what's more interesting than the order of the priorities is the alignment: Universally, reps and executives alike agree almost exactly on priorities for the coming year.

WHAT ARE YOUR COMPANY'S TOP SALES PRIORITIES FOR THE NEXT YEAR?



On the other hand, B2B and B2C sales professionals have very different priorities. We see investment take a somewhat higher priority with B2C businesses, particularly in the CRM space, whereas B2B sales professionals are more interested in social sales (15% of B2B businesses cite it as a priority as opposed to 7% of B2C businesses). Both are equally interested in closing more deals, more efficiently, with B2C sales professionals showing only slightly more interest in reducing the length of the sales cycles than their B2B counterparts:

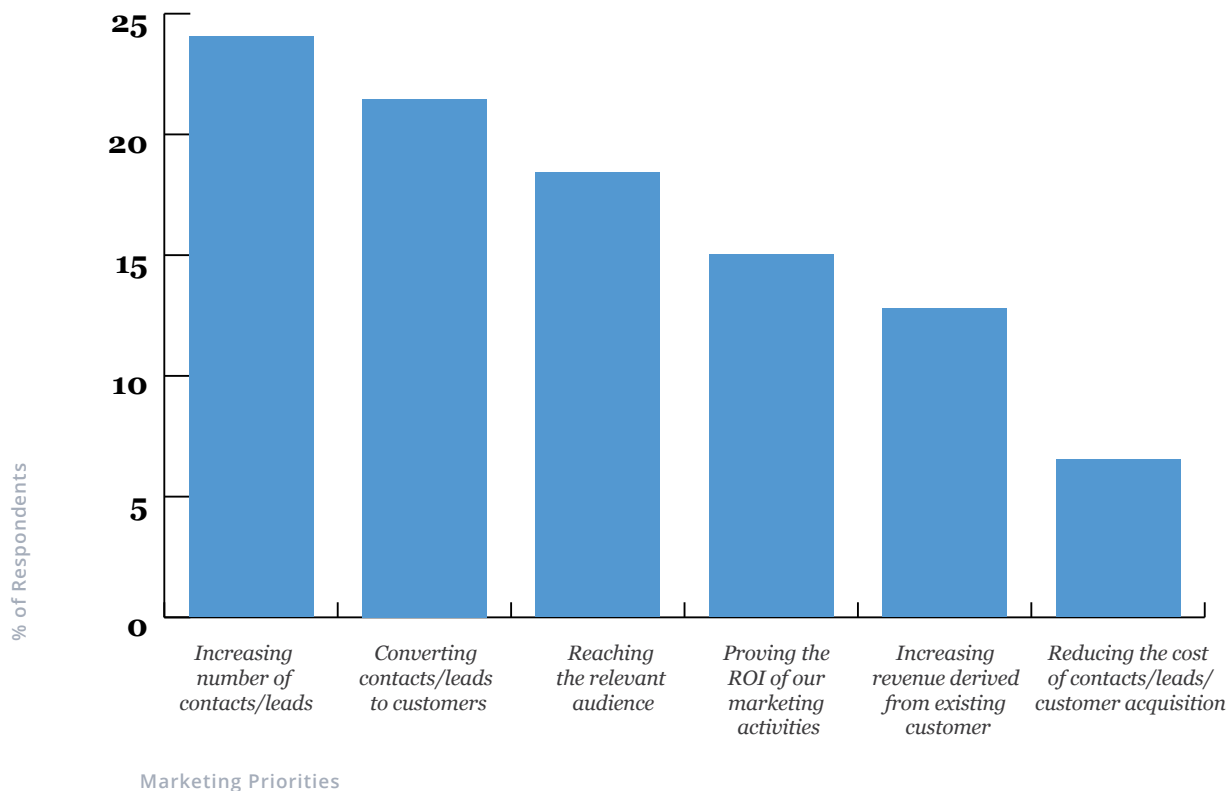
WHAT ARE YOUR COMPANY'S TOP SALES PRIORITIES FOR THE NEXT YEAR?



Considering the challenges uncovered throughout the report, do these priorities align with solutions to those challenges?

For well-aligned sales and marketing organizations, the top sales priorities will likely be easier to achieve. Funnel efficiency and closing customers are initiatives driven by both teams; and luckily for sales, these are priorities marketers share for the coming years, too:

WHAT ARE MARKETING'S TOP PRIORITIES FOR THE NEXT YEAR?



With Marketing's top priority being lead generation, though, and 85% of marketers practicing inbound (and budgets for inbound increasing at that), sales organizations that still favor outbound leads over inbound ones may face a challenge closing more deals without help from training or technology. That is to say, closing an inbound lead is a different process than an outbound lead, and sales leaders need to invest in technology and training to enable their reps to embrace this shift.

How sales professionals invest in technology this year could contribute to the success of these initiatives, too. The challenges sales faces with software – data inaccuracy, lack of integration with other tools -- are all fixable, and would contribute to hitting these goals.

SURVEY METHODOLOGY

HubSpot fielded our 2014 State of Inbound Marketing Survey between 10:00 AM EST on June 25, 2014 and 5:00 PM EST on July 15, 2014. The survey was administered online, where 6,432 respondents started the survey and 3,570 completed it. To see the exact demographic breakdown of the completed survey respondents, please reference the demographic charts.

The sampling method was a voluntary sample with the incentive being a chance to win one of ten available Beats Solo2 On-Ear Headphones. The audience was solicited through the following promotional channels: Facebook, Twitter, LinkedIn, Paid & Email.

Participation in the State of Inbound Survey Giveaway was subject to 'HubSpot's "State of Inbound 2014" Survey Sweepstakes - Official Rules' [available here](#).

To read more about the state of inbound, read the full [State of Inbound](#) report.

About the Authors

Executive Sponsor: Mike Volpe

Author: Corey Eridon

Survey Creation: Abhinav Arora / Corey Eridon / Sara Davidson

Survey Implementation: Abhinav Arora

Data Analysis: Corey Eridon / Abhinav Arora

Chart Design: Samantha Siegel

Report Design: Tyler Littwin / Anna Faber-Hammond