STATE *of* INBOUND 20/15

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≐ Welcome

Introduction

Welcome to the seventh annual *State of Inbound* report. We're glad you're here. Whether this is your first time reading this report, your seventh time, or you just downloaded it on a whim, you're bound to have some questions.

"What is *State of Inbound*?"

Every year, HubSpot surveys thousands of the world's foremost marketers and salespeople -- HubSpot customers and non-customers alike. We poll them on their most pressing priorities, the challenges they face, and the tactics they've used to meet those challenges head-on. We track our respondents' quantitative answers, collate and consolidate their anecdotal answers, and put the polished result into a master report: *State of Inbound*.

For the last seven years, the report has tracked the practice and adoption of "inbound marketing." Instead of blasting out interruptive ads and trying to pull people to your company, inbound marketing uses helpful content to attract visitors and get them to engage of their own volition.

Last year, we added sales to the mix to provide a more complete view into the entire lead-to-customer lifecycle. Our research found that salespeople struggle with a lack of information about their leads and manual data entry -- two challenges that necessarily reduce their effectiveness at converting leads to customers. Just like Marketing's lead generation is of prime interest to salespeople, marketers would be wise to take the problems sapping Sales' efficacy to heart.

Considering that aligning marketing and sales practices is critically important to a company's success, this report contains both marketing- and sales-specific results -- as well as areas where the two intersect.

"Is anything different from last year's report?"

Yes, a lot is different in this year's report. We asked some of the same questions (for trending data) and several new ones (to keep pace with emerging marketing trends).

The biggest change is that 2015's report doesn't cover the emergence of inbound marketing as it has in past years -- the principles are now well-entrenched. Rather, this year's data begins to reveal why leaders lead and laggards lag. You'll also find trending sales data that reveals how salespeople's pressing challenges and priorities have shifted since last year, in addition to attitudes toward buzzworthy sales practices such as social selling.

We've also improved our entire process since 2014. Thanks to rigorous QA, we've ensured that this year's data is more representative of the marketing and sales

industries as a whole. First, we dug deeper into segmenting different marketing and sales tactics on a more granular level. Additionally, we expanded our reach globally, engaging audiences in 150 countries across six international regions.

Who We Talked To

The State of Inbound survey has always been comprehensive, but this year's report is truly a global document, with more than 150 countries represented. The majority of our nearly 4,000 respondents are marketers who work for B2B SMBs, and only one-third have an affiliation with HubSpot. Half of the companies represented generate under $1M a year in revenue, and the other half generate over $1M.

We hope this document can serve as a roadmap for your organization's entire approach to inbound marketing and sales in 2016. All data was gathered on the back half of 2015 to give as accurate a representation of the current industry landscape as possible.
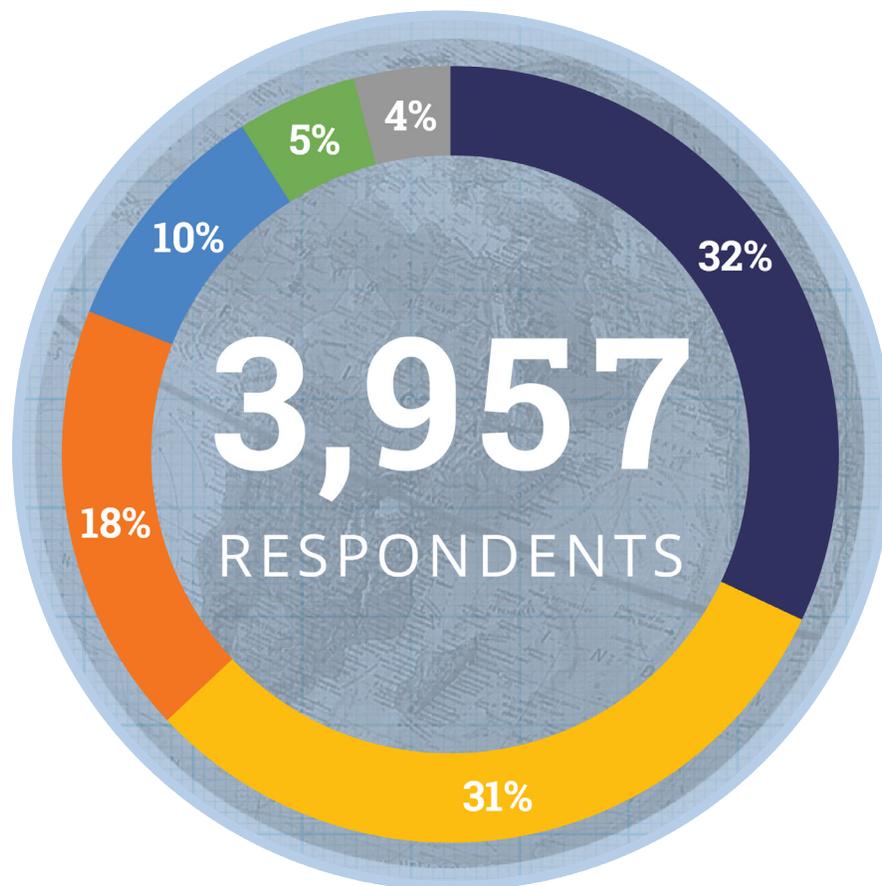
- ● EMEA (Europe, Middle East, Africa)
- ● LATAM (Central & South America)
- ● North America
- ● APAC (Asia-Pacific, excluding New Zealand & Australia)
- ● Australia & New Zealand
- ● Other

How many full time employees does your company have?

- Fewer than 10 — 48%
- 11 to 25 — 16%
- 26 to 200 — 22%
- 201 to 1000 — 8%
- More than 1000 — 6%
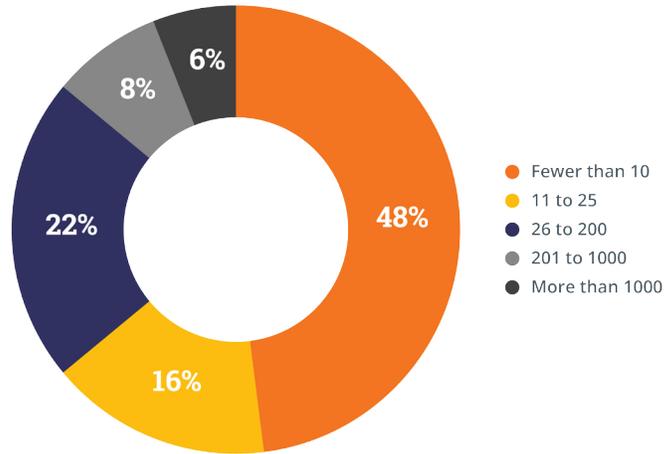
What best describes your company's average annual revenue?

- Less than $250,000 — 37%
- $250,000 - $999,999 — 15%
- $1M - $9.9M — 17%
- $10M - $499M — 10%
- $500M - $999M — 2%
- $1B or more — 2%
- I don't know/ prefer not to say — 17%
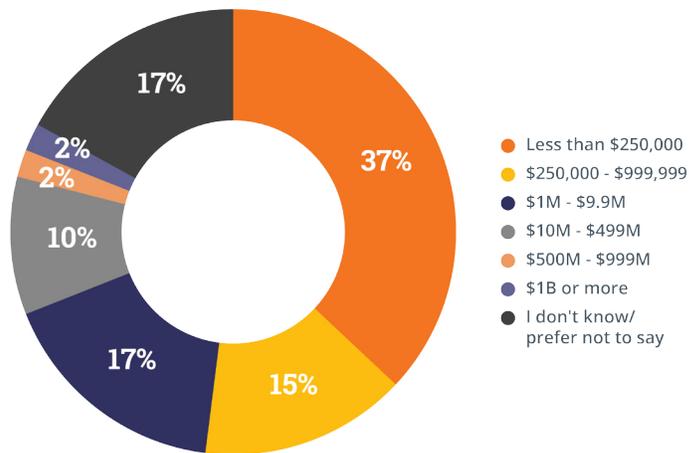
Who does your company primarily sell to?

- Nonprofit — 5%
- B2C — 24%
- B2B — 65%
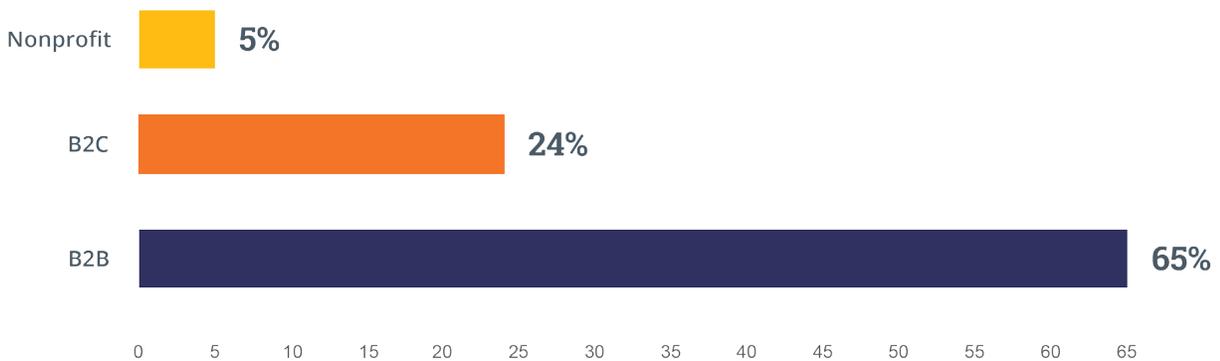
Which of the following best describes the principal industry of your organization?
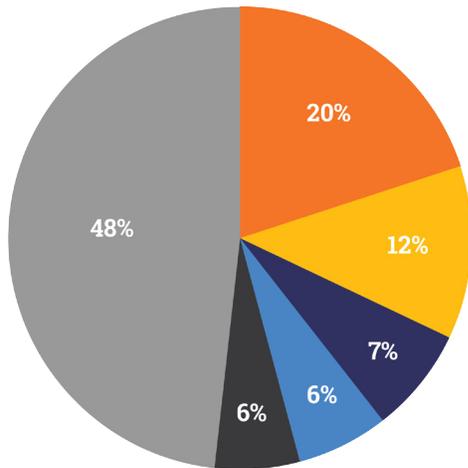
- Marketing Agencies — 20%
- Information Technology & Services — 12%
- Education — 7%
- Remaining 15 industries represented — 48%
- Software — 6%
- Media & Publishing — 6%

What best describes your function in your company?

- Sales — 14%
- Marketing — 55%
- Other — 31%
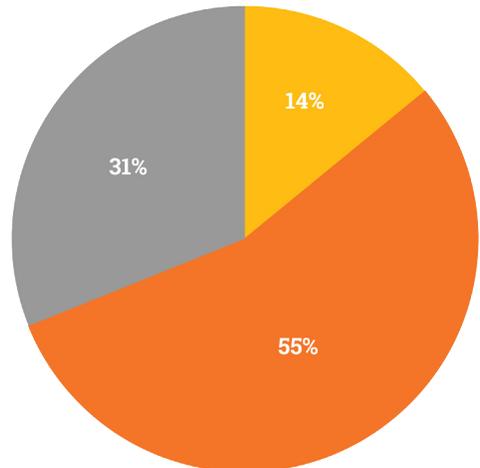
What best describes your level in your company?

- Executive — 33%
- Non-executive VP or director — 9%
- Manager or senior manager — 32%
- Individual contributor — 18%
- Other — 8%

Are you or your company a HubSpot partner or agency?

- Yes — 36%
- No — 64%

State of Inbound
Marketing

State of Inbound Marketing

Inbound marketing is no longer a totally new concept. Marketers and other business leaders who are not currently practicing inbound marketing tend to be at least somewhat familiar with the methodology. At the other end of the adoption spectrum, a healthy number of marketers have gone all in on inbound marketing, and learned valuable lessons along the way. They've used these lessons to iterate and refine their marketing strategies, and their results bear testament to this hard work.

This year, drawing on both of these populations from a variety of industries, companies, and countries, our data reveals what separates the most successful inbound marketers from the rest. Whether you're a seasoned marketer or you just started your first marketing job yesterday, this report contains valuable nuggets of wisdom that can help you do your job better -- starting today.

We've organized the data into five self-contained chapters:

Growth of Inbound

Emerging Trends

Best-in-Class Marketing Practices

Setting Up for Inbound Success

International Inbound

There's no need to read the report in order. Start with the section that corresponds to your needs, and jump around as you see fit. Alternately, you can simply read the summary of the most important points at the beginning of each section.

The 7 Most Important Takeaways

1. Three out of 4 marketers across the globe prioritize an inbound approach to marketing.

2. Both inbound and outbound marketers rank paid advertising as the #1 most overrated marketing tactic.

3. Proven marketing ROI unlocks budget. But you have to be tracking ROI in the first place, which not everyone is doing.

4. Leading marketers recognize that inbound is a long game. Both past success and past failure with inbound correlates with an inbound marketing budget increase.

5. Inbound is the preferred marketing strategy regardless of company type. B2B, B2C, nonprofit -- everyone's implementing inbound tactics.

6. Inbound campaigns achieve higher ROI than outbound. This holds true across different company sizes and budgets.

7. Establishing a Marketing-Sales service level agreement (SLA) leads to higher ROI. The presence of an SLA also correlates with budget and staff increases.

= Chapter 1
Growth of Inbound

Inbound marketing has traditionally been touted as small companies' answer to big marketing budgets. While large companies command sizable budgets to spend on flashy advertising, smaller organizations have struggled to get the word out on a relative shoestring. But that changed with inbound marketing, which prioritizes compelling content over ads, and pulling customers to you rather than pushing your message onto them. Suddenly the little guy possessed just as much marketing power (and sometimes more) than their peers with deeper pockets.

This year's State of Inbound survey reaffirmed and reinforced this storyline:

· SMBs more often use inbound; bigger companies use both outbound and inbound.

· Getting more leads and converting more of them is a top priority across company sizes and sectors.

· Proving ROI and getting more budget are the leading challenges marketers face.

· Proven inbound marketing ROI unlocks budget.

Inbound is king, but outbound still matters to big companies

Inbound continues to be the core marketing strategy of the "lean 'n' mean" shop -- those 25-200 employee operations either fighting for growth, or just beginning to enter the growth phase. Over six times as many respondents from companies with fewer than 25 employees cited inbound as their primary marketing approach, while more than double the number of 26-200-person companies cited the same.

At companies with over 200 employees, inbound and outbound marketing strategies are deployed equally. This shouldn't stun us -- with bigger budgets comes the ability to throw dollars at paid marketing campaigns, even while running them alongside tried-and-true inbound principles.

3 OUT OF 4 MARKETERS ACROSS THE GLOBE **PRIORITIZE AN INBOUND APPROACH TO MARKETING**

Inbound vs. Outbound by Company Size

Inbound is the dominant marketing strategy for companies with fewer than 200 people

- 🔴 Inbound
- ⚫ Outbound

0 to 25 employees: 84% / 13%
26 to 200 employees: 71% / 27%
201 or more employees: 49% / 48%
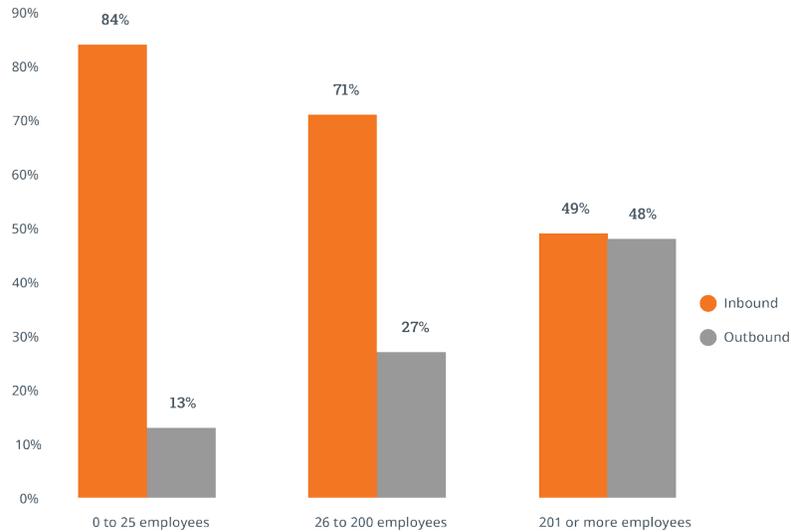
Leads (and converting them) remain top priority

Increasing volume at the top of the funnel while increasing conversion percentage at the bottom remain top priorities for respondents. This was true across company size, as well as organization type (B2B, B2C, nonprofit).

Moreover, these two priorities were of nearly equal importance across all segments. Among SMBs, "increasing number of contacts/leads" and "converting contacts/leads to customers" were over 30% more likely to be cited as a priority than the next-closest item.

Top Priorities by Company Size

Increasing leads and converting them are top priorities, especially for SMBs

- 🔴 Converting contacts/ leads to customers
- 🔵 Increasing number of contacts/leads
- 🟡 Increasing revenue derived from existing customers
- ⚫ Proving the ROI of our marketing activities
- ⚪ Reducing the cost of contact/ lead/customer acquisition

0 to 25 employees: 71% / 71% / 43% / 33% / 20%
26 to 200 employees: 73% / 79% / 47% / 47% / 26%
201 or more employees: 66% / 62% / 55% / 58% / 30%
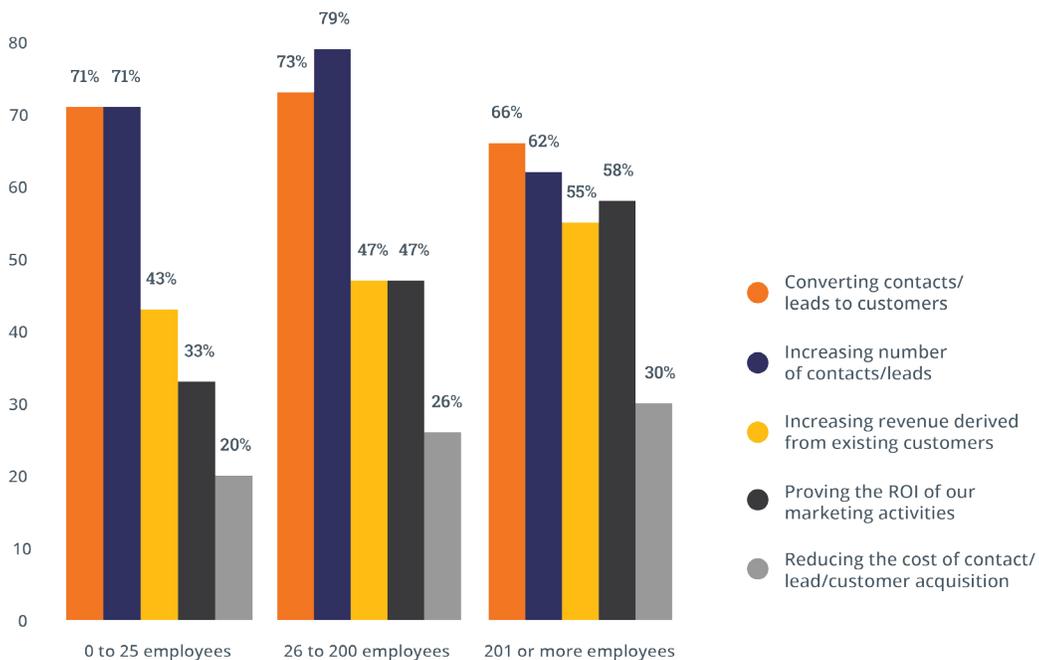
Top Priorities by Company Type

Regardless of clients or mission, increasing and converting
leads is paramount for 2015 marketers

- ● Increasing number of contacts/leads
- ● Converting contacts/leads to customers
- ● Proving the ROI of our marketing activities
- ● Increasing revenue derived from existing customers
- ● Reducing the cost of contact/lead/customer acquisition
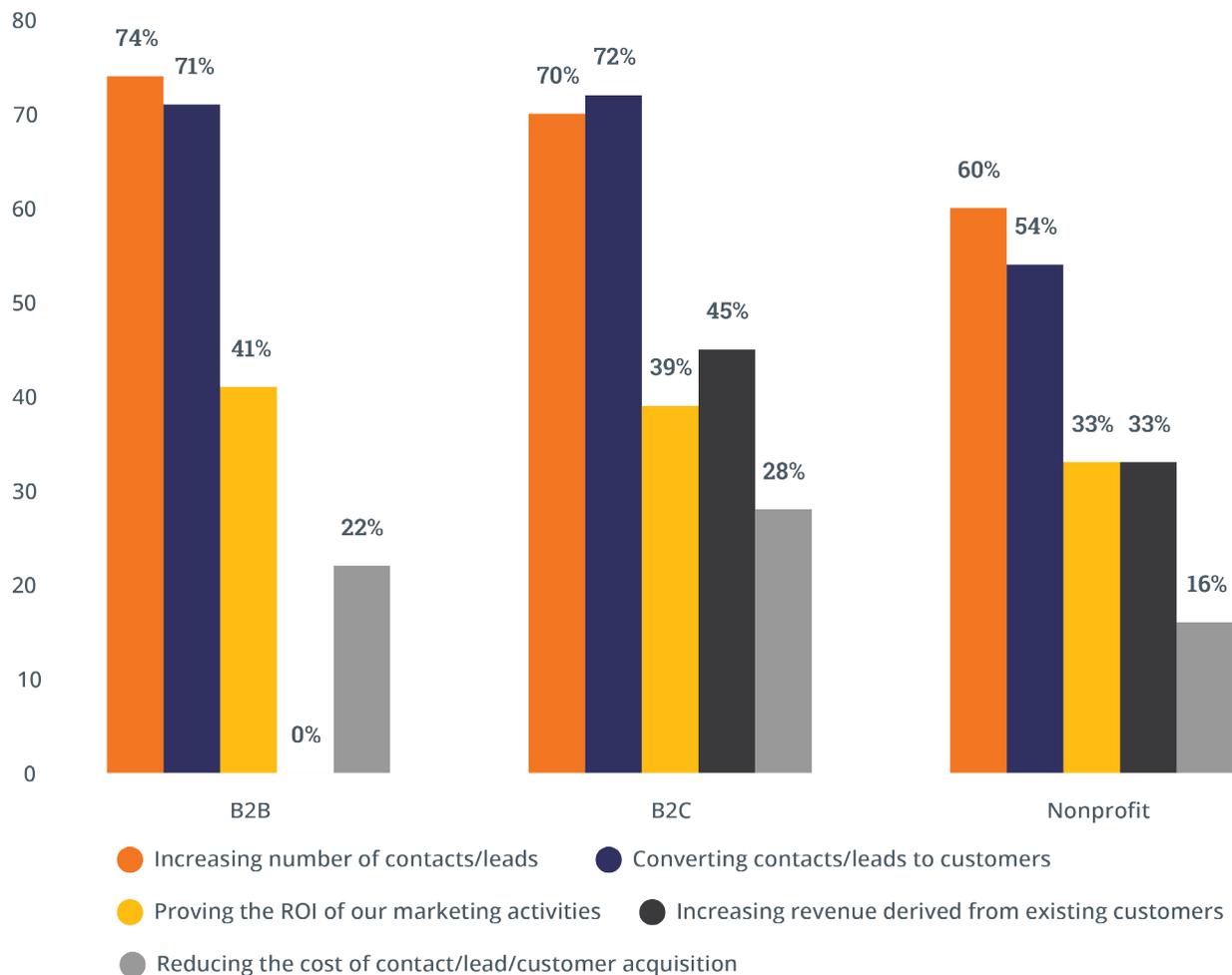
Demonstrating ROI is the #1 challenge marketers face

Proving a demonstrable return on marketing dollars was the most oft-cited challenge across companies of different size and focus, and securing more budget to allocate toward ROI-generating activities was next in line.

Finding the right technologies and managing a website were understandably a larger concern for small companies fighting to reach the growth phase. For companies under 25 people, these two concerns were 10% less likely to be cited as the top-ranked "proving ROI"; among established companies, they were 40% less likely to be mentioned.

Top Challenges by Company Size

Proving ROI and subsequently securing more budget are
marketers' biggest roadblocks

Proving the ROI of our marketing activities
- 42%
- 57%
- 71%

Securing enough budget
- 32%
- 32%
- 51%

Managing our website
- 32%
- 31%
- 31%

Identifying the right technologies for my needs
- 31%
- 22%
- 29%

Training our team
- 23%
- 24%
- 26%

Targeting content for an international audience
- 23%
- 23%
- 24%

Hiring top talent
- 19%
- 25%
- 22%

Finding an executive sponsor
- 9%
- 5%
- 8%

0   10   20   30   40   50   60   70

● 0 to 25 employees   ● 26 to 200 employees   ● 201 or more employees

Top Challenges by Company Type

ROI is the thorn in the for-profit sector's side, while nonprofits
struggle most with website management

Proving the ROI of our marketing activities
- 51%
- 52%
- 43%

Managing our website
- 29%
- 35%
- 46%

Securing enough budget
- 32%
- 33%
- 41%

Identifying the right technologies for my needs
- 24%
- 37%
- 38%

Training our team
- 24%
- 23%
- 30%

Targeting content for an international audience
- 23%
- 24%
- 30%

Hiring top talent
- 22%
- 15%
- 14%

Finding an executive sponsor
- 6%
- 7%
- 25%

0   5   10   15   20   25   30   35   40   45   50

● B2B   ● B2C   ● Nonprofit
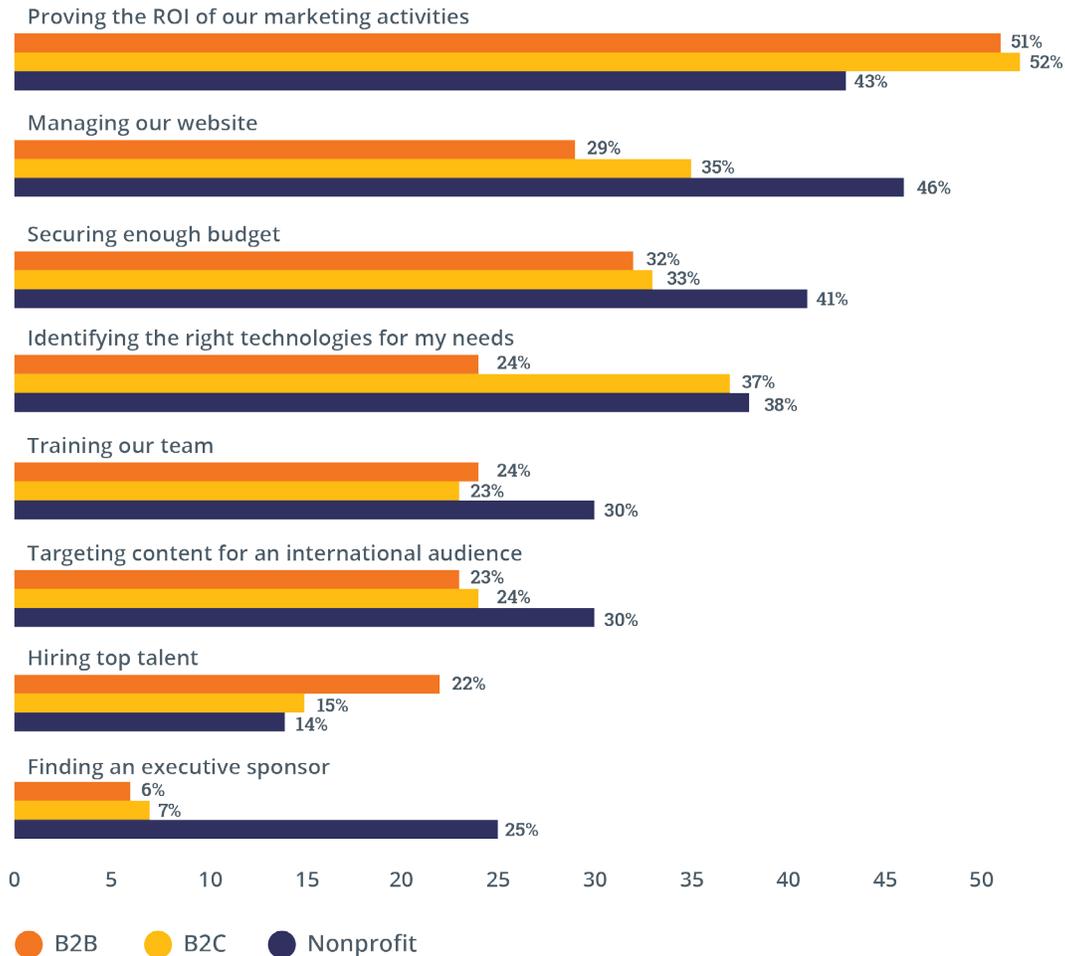
Proven ROI? Hello, budget

What did all survey respondents have in common? Everyone wants more budget.
In fact, securing more budget has been the second-most pressing challenge for
survey respondents the last two years running.

The key to securing more money for your team might not be that complex,
however. Respondents whose teams demonstrated positive marketing ROI in
2015 were more than twice as likely to receive higher budget. The takeaway
is clear: Get a positive return on this year's investment and watch next year's
budget increase.

2015 Budget by ROI

Proving ROI gets you budget. Period.
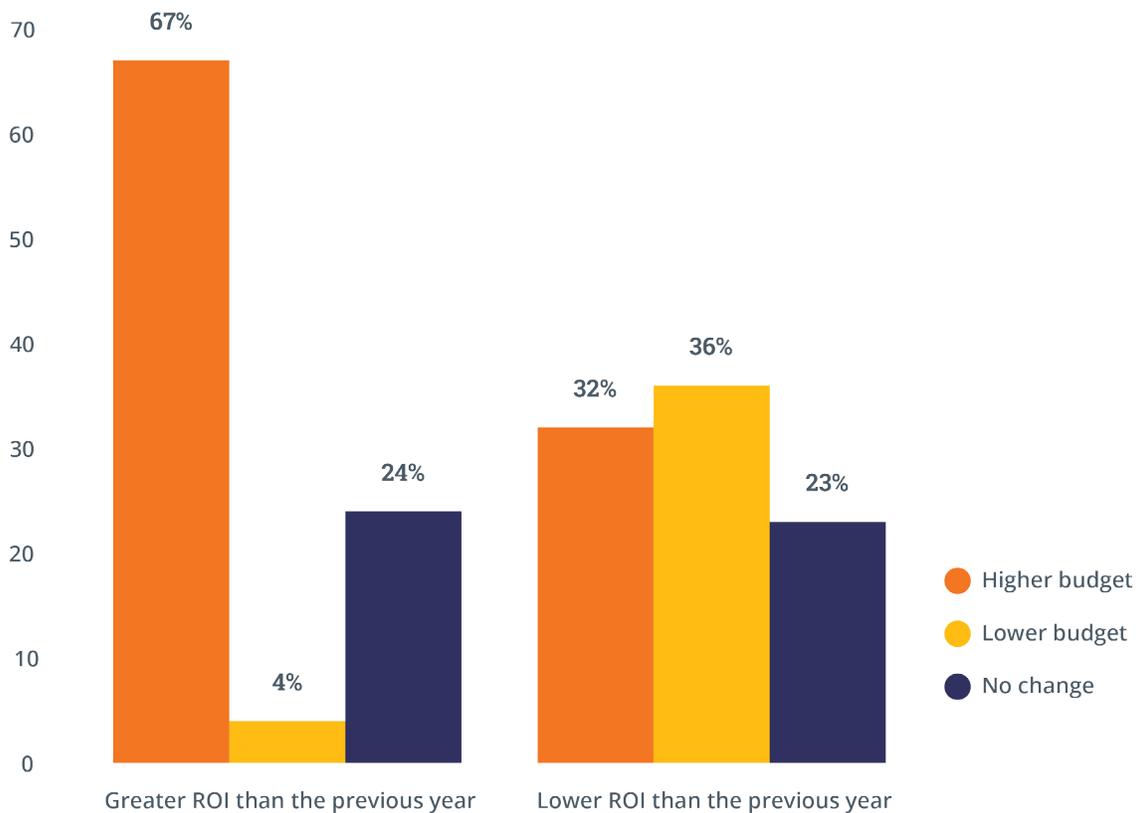
Perhaps more significant? The converse is an even stronger point: Demonstrating positive ROI makes you nine times less likely to see a lower budget the following year than if your team failed to show a positive return.

The key here -- as we'll explore in the "Best-in Class Marketing Practices" chapter -- is to track ROI in the first place in order to prove ROI and justify a budget increase. No ROI tracking, no demonstrable ROI. No ROI, no budget.

Chapter 2
Emerging Trends

Even with inbound trends continuing to develop along a fairly predictable path, there are always bound to be surprises in the findings of a report of this size and reach. In this chapter, we'll cover some of the more eyebrow-raising insights that arose from this year's data:

- Companies are worried about increasing leads and conversions, but not the cost of doing so.

- Finding an executive sponsor and training teams are priorities increasing in importance.

- Even outbound marketers say outbound marketing is overrated.

- Inbound works across B2B, B2C, and nonprofit sectors.

- Senior executives favor inbound more than managers.

- More marketers are sourcing content from outside their company.

Companies want to have their lead generation cake and eat it too

Interestingly, while the news that increasing leads and conversion rates are top priorities is to be expected, the lowest priority across company size and sectors was reducing the cost of accomplishing these two objectives. Reducing cost of acquiring leads/customers was three times less likely to be prioritized as increasing the number of leads/customers.

Top Priorities by Company Size

Reducing cost of acquiring leads/customers 3x less likely to be prioritized as increasing the number of leads/customers

Converting contacts/leads to customers
- 71%
- 73%
- 66%

Increasing number of contacts/leads
- 71%
- 79%
- 62%

Proving the ROI of our marketing activities
- 33%
- 47%
- 58%

Increasing revenue derived from existing customers
- 43%
- 47%
- 55%

Reducing the cost of contact/lead/customer acquisition
- 20%
- 26%
- 30%

● 0 to 25 employees
● 26 to 200 employees
● 201 or more employees

0 10 20 30 40 50 60 70
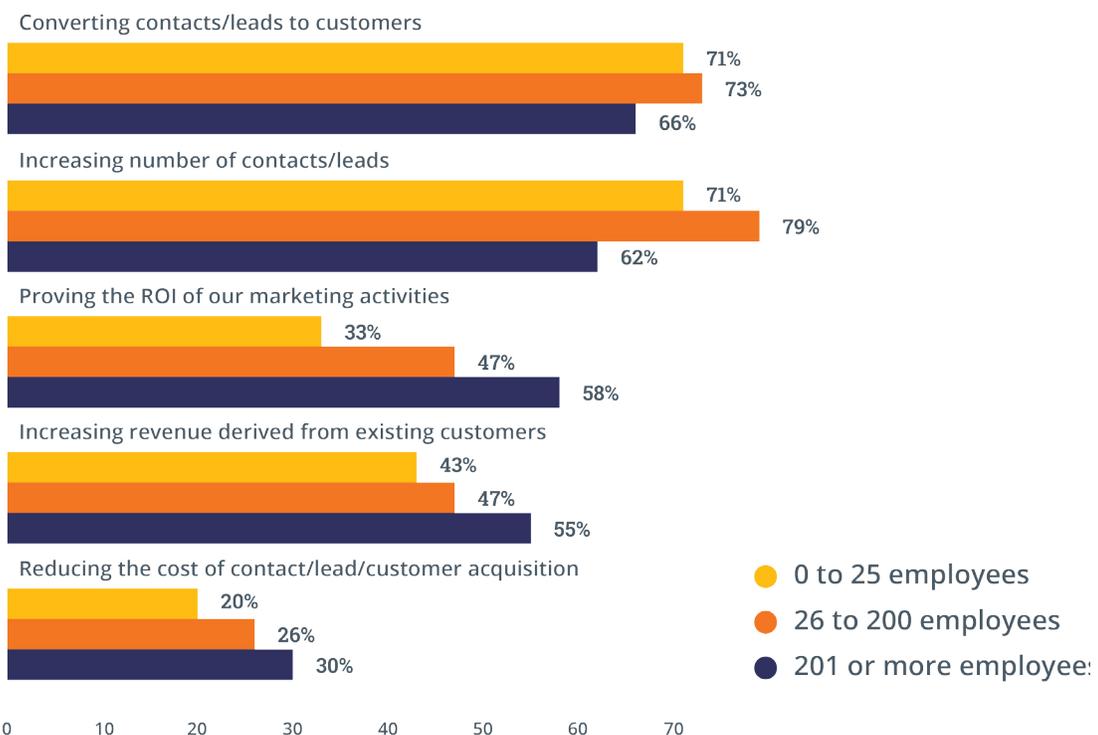
What keeps marketers up at night

While proving ROI is a paramount concern for all respondents to this year's survey, monumental shifts are occurring just below the surface.

For instance, proving ROI (though indeed still a top priority) has fallen in importance year over year. In its stead, finding an executive sponsor and training teams have surged in their perceived importance. Specifically, finding an executive sponsor was more than seven times as likely to be cited as a challenge in 2015 as it was in 2014, while training one's team was more than twice as likely to be cited.

Given the tilt of our survey toward SMBs, this makes sense -- marketers fighting tooth and nail for budget (and to prove the ROI of their dollars) are desperate to get executive gloves in their corner of the ring to secure buy-in. And the next logical step upon receiving that buy-in would be to upskill team members as they spend newly-secured budget on fresh initiatives.

Top Marketing Challenges Year Over Year
ROI still #1 challenge, but executive support and team training soaring
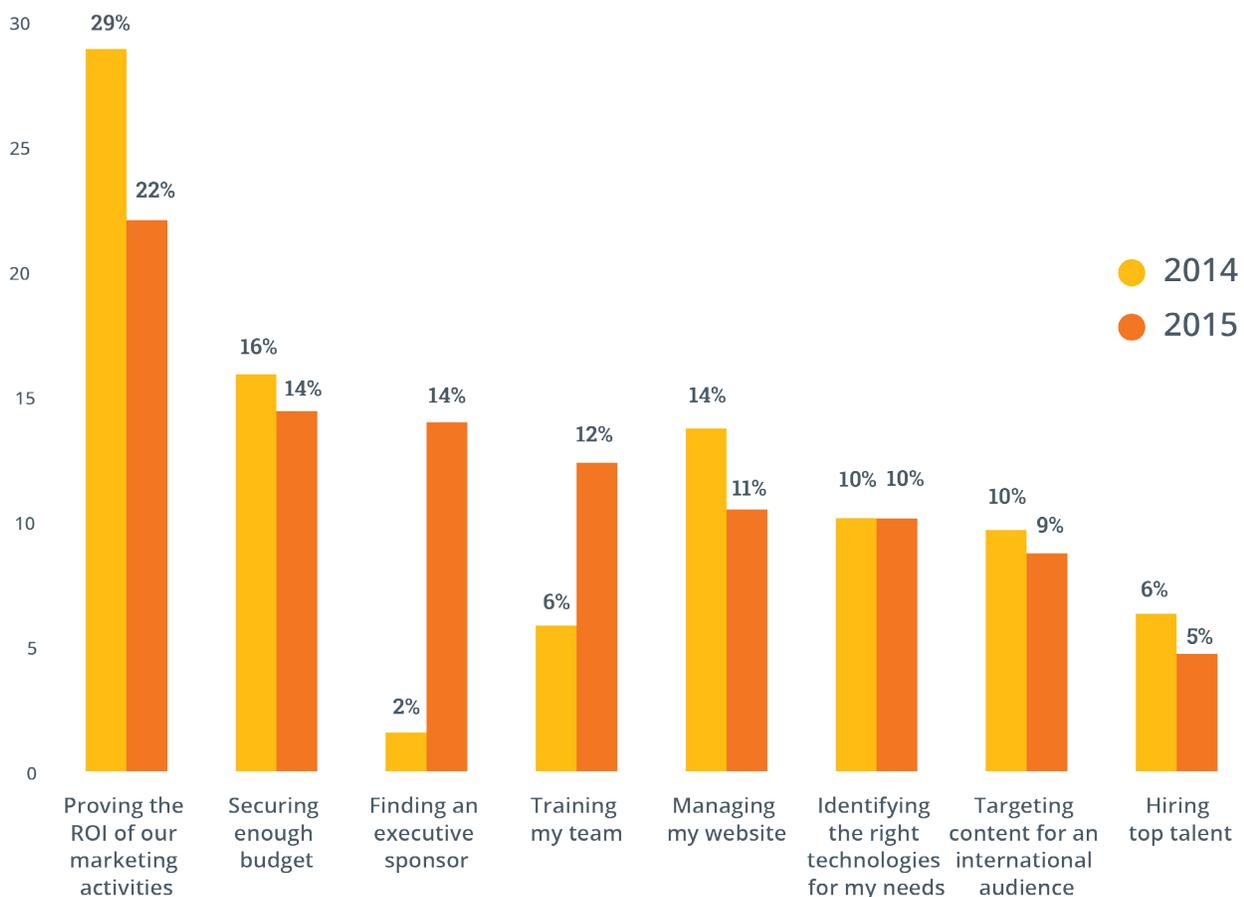
Even people using outbound think it's a waste

Sure, we here at HubSpot, our customers, and anyone else who's discovered the effects of inbound marketing will say that paid advertising (i.e. print ads, TV,

billboards) is a poor investment. Indeed, of respondents whose companies favor inbound marketing, 20% more named paid advertising as the most overrated marketing tactic than the next-closest item. But guess who else thinks the same?

The people paying for print, TV, and billboard ads.

Approximately 32% of survey respondents whose companies identify as primarily outbound organizations called paid advertising the most overrated marketing tactic -- the number one answer by a wide margin.

While this could be explained by large companies (200+ employees) throwing money at paid as a sort of diversification of their marketing portfolio, it bears repeating that the smart money is on inbound.

The Most Overrated Marketing Tactic

Outbound is classified as a waste of time across inbound
and outbound organizations alike

Paid advertising - print, outdoor, broadcast
- Inbound: 37%
- Outbound: 32%

Paid advertising - social media, online ads, PPC
- Inbound: 15%
- Outbound: 12%

Social media
- Inbound: 12%
- Outbound: 16%

Email marketing
- Inbound: 9%
- Outbound: 9%

Public analyst relations
- Inbound: 8%
- Outbound: 8%

SEO
- Inbound: 6%
- Outbound: 7%

Blogging
- Inbound: 4%
- Outbound: 6%

Collateral development
- Inbound: 4%
- Outbound: 3%

Sales enablement
- Inbound: 3%
- Outbound: 3%

Other
- Inbound: 2%
- Outbound: 3%

● Inbound
● Outbound

0   5   10   15   20   25   30   35

Inbound works for B2B, B2C, and nonprofit

Think inbound marketing isn't for you? Guess again. Of the nearly 4,000 people we surveyed, inbound had a 75% likelihood of being the marketing approach of choice, while outbound had only a 25% chance. This 3:1 ratio remained consistent across all company types (B2B, B2C, and nonprofit).

Inbound Works for Every Company Type

It doesn't matter who your customers are, inbound
is the best approach to reach them
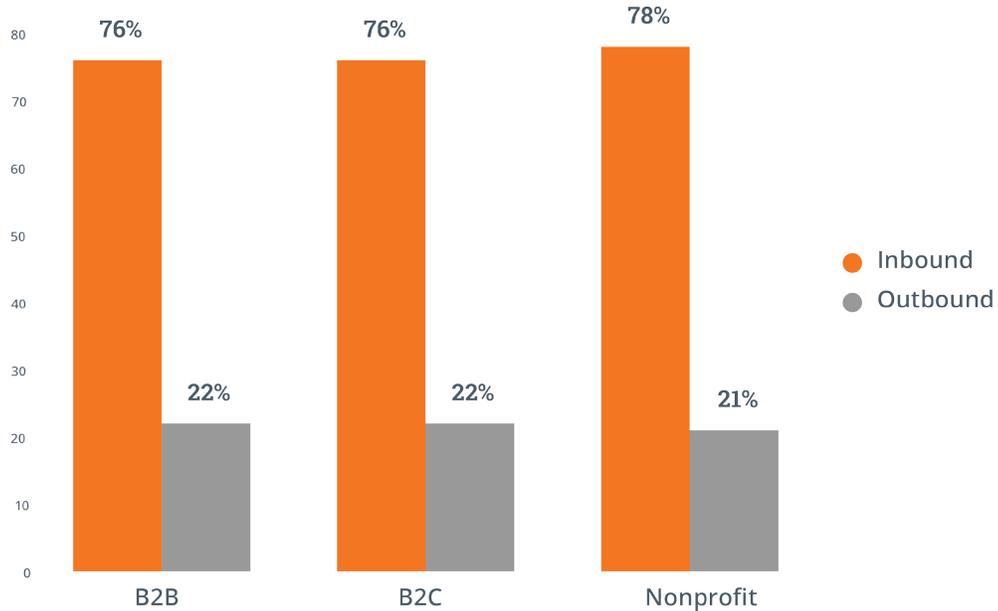
Senior executives favor inbound more than managers

Our data showed that the farther you advance in your company, the more likely
it is you'll favor inbound approaches. Among managers or senior managers,
outbound is perceived to be the best marketing approach in terms of generating
ROI. Inbound catches up to outbound at the non-executive VP/director level,
and passes it at the executive rank (executive-level personnel represented over
a third of all survey respondents).

Strategy ROI Perception by Position Level

Advancement up the corporate ladder correlates strongly with
an increased favoring of inbound marketing tactics
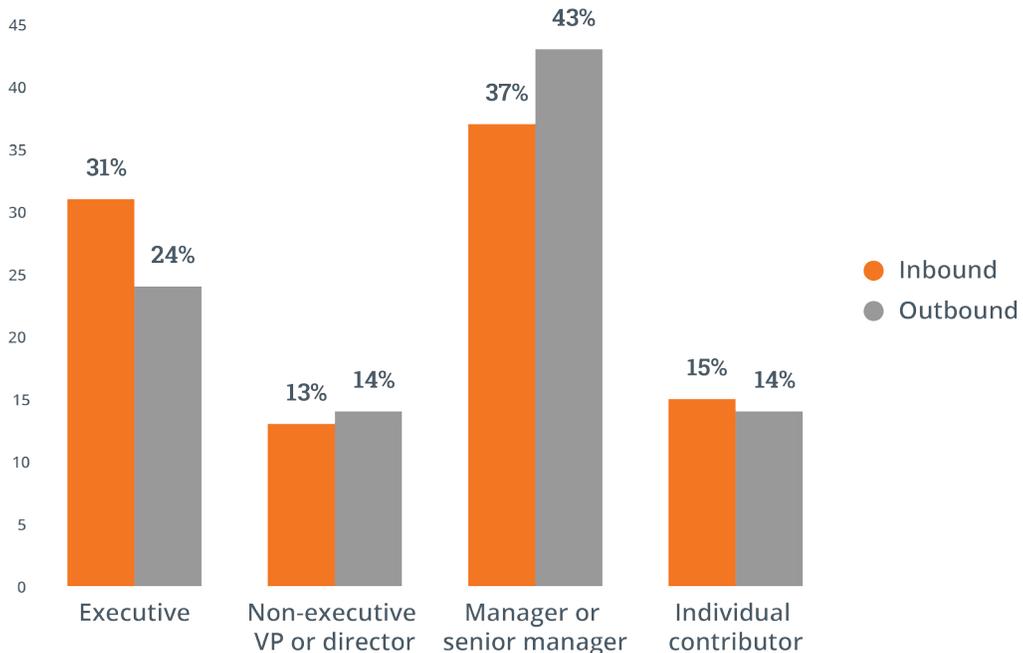
Marketing content creation no longer limited to in-house writers

According to the tenets of inbound marketing, marketers should create compelling content that reflects their company's voice and brand while helping the consumers of this content turn into website visitors, leads, and customers. However, the people capturing that unique voice and providing that value don't always need to be your own employees. This year's data showed an increase in the number of respondents who indicated they use freelancers and agency partners for content creation.

Who Writes Your Marketing Content?

The use of freelance and agency talent is on the rise

Legend:
- 2014
- 2015

Category	2014	2015
Staff	46%	41%
Executives	17%	18%
Guests	10%	8%
Freelancers	12%	13%
Agency partner	8%	10%
Writing panels	1%	2%
Curation	5%	6%
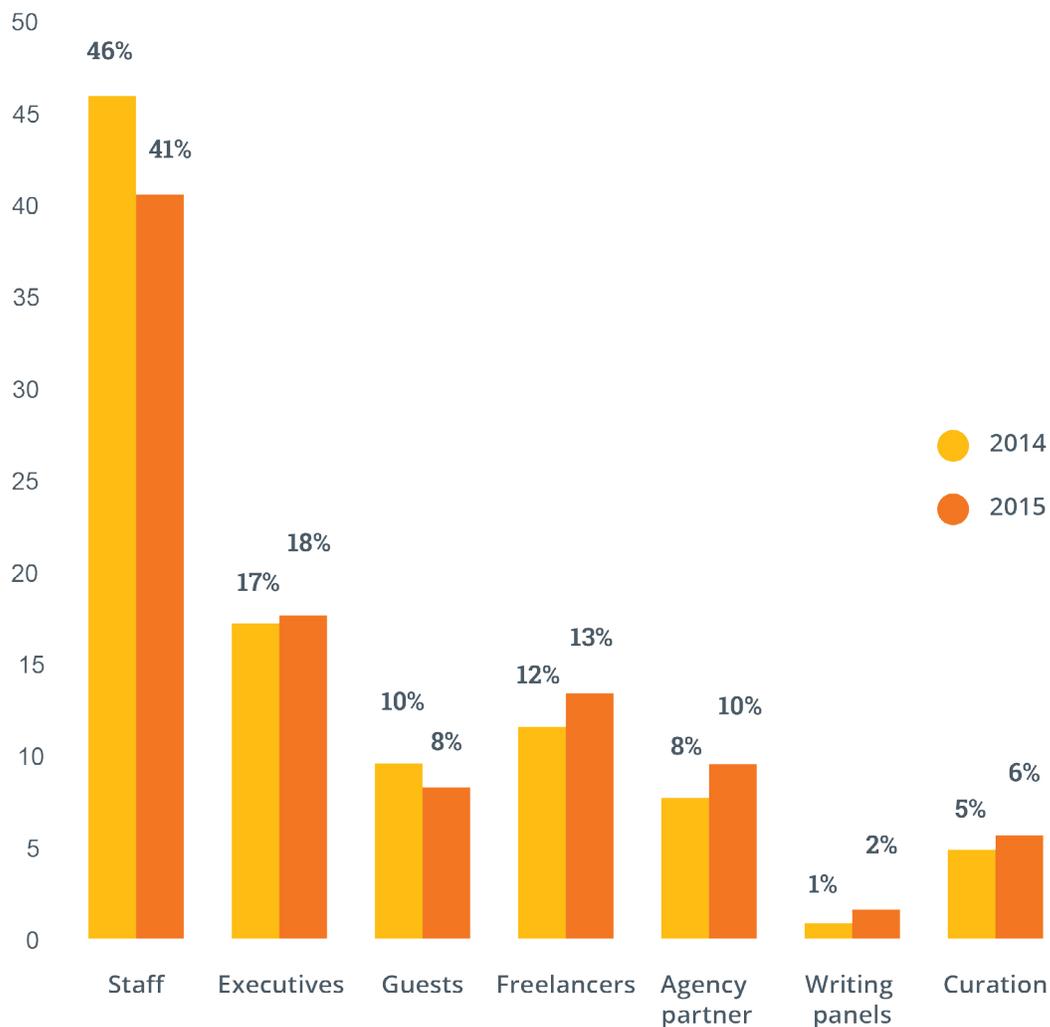
Best-in-Class Marketing Practices

At this point, we've seen some surprises, and we've also seen areas of steady and logical progress. In addition, we know what everyone wants -- more ROI, more leads and conversions, and more budget.

One benefit of our survey's scale is that we can "copy off the smart kids," so to speak. Let's dive into what the companies with the highest return on their marketing dollars are doing:

- Inbound efforts achieve higher ROI than outbound regardless of company size or total marketing spend.

- Leading marketers resist the allure of paid campaigns and recognize outbound as being overrated.

- Best-in-class marketers track ROI, prove it's growing each year, and secure increased budget as a result.

- Past success with inbound marketing is the single-biggest factor that drives budget increases.

- Both staff and guest contributors write marketing content.

- The best marketers check their marketing analytics 3+ times per week.

Leading marketers make their dollars go farther

Inbound is the preferred marketing method for all companies that spend under $5M annually on marketing. In fact, if your organization spends less than $100,000 on marketing annually, you're four times more likely to practice inbound than outbound.

Even more interesting? Every company we surveyed -- regardless of marketing spend -- was three times as likely to see a higher ROI on inbound marketing campaigns than on outbound.

3x COMPANIES ARE 3X AS LIKELY TO SEE HIGHER ROI ON INBOUND MARKETING CAMPAIGNS THAN ON OUTBOUND.

Inbound vs. Outbound by Marketing Spend

Inbound is the way of the lean 'n' mean shop

- Inbound
- Outbound

Marketing Spend	Inbound	Outbound
$25,000 or less	83%	15%
$25,001 to $100,000	77%	21%
$100,001 to $500,000	68%	31%
$500,001 to $1M	54%	45%
$1M to $5M	58%	42%
More than $5M	45%	55%
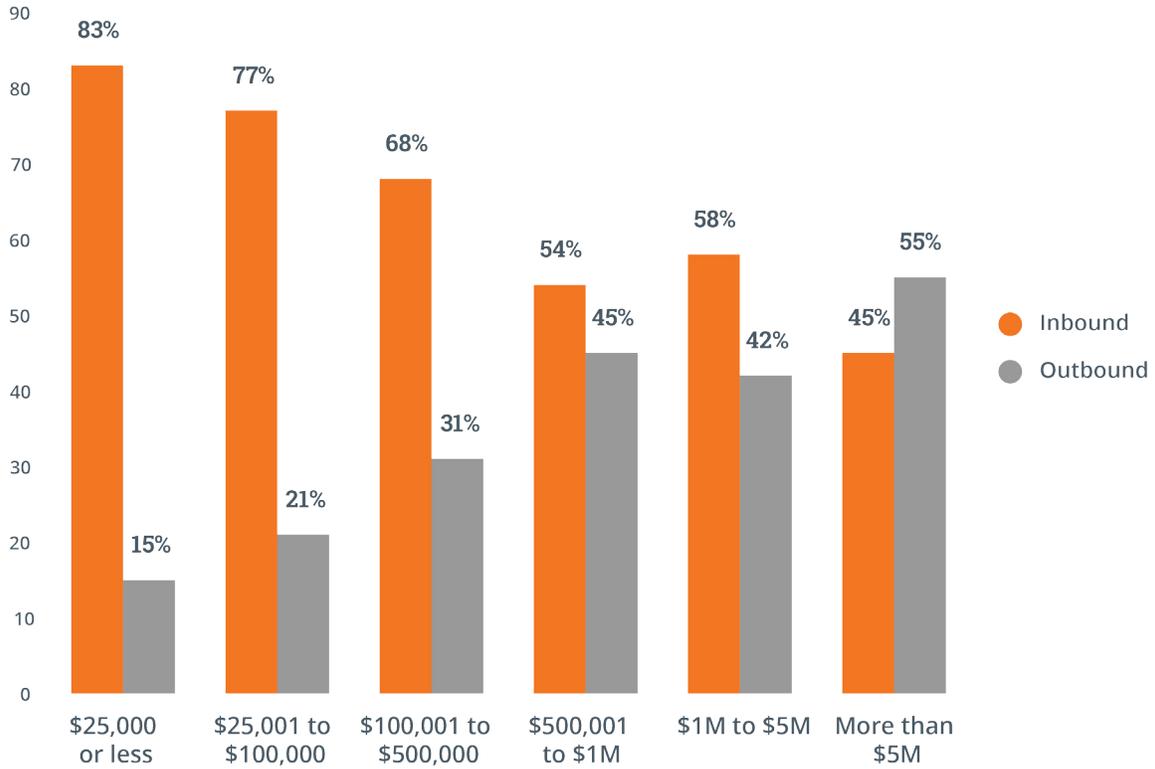
Inbound vs. Outbound ROI by Marketing Spend

Big budget or small -- everyone gets big returns from inbound

- We see higher ROI using inbound marketing
- We see higher ROI using outbound marketing

Marketing Spend	Inbound	Outbound
$25,000 or less	42%	8%
$25,001 to $100,000	47%	14%
$100,001 to $500,000	52%	11%
$500,001 to $1M	44%	18%
$1M to $5M	48%	14%
More than $5M	52%	18%
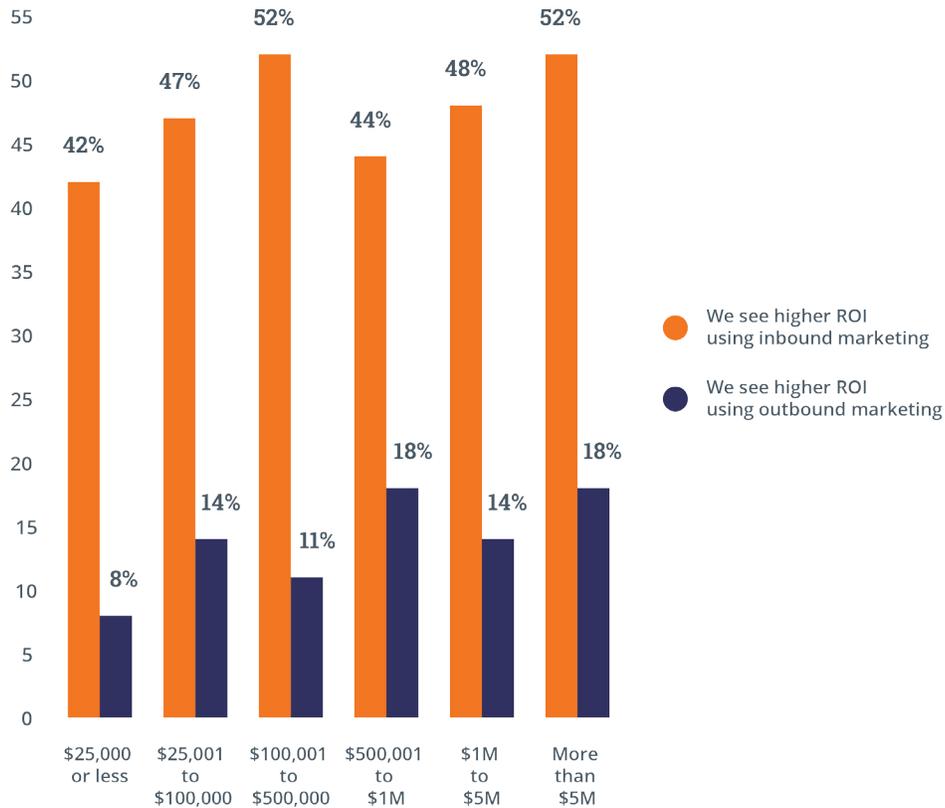
Leading marketers take outbound with a grain of salt

In many ways, our data showed that outbound lives in inbound's shadow. Fifty-seven percent of respondents from companies that saw greater ROI in 2015 than 2014 cited paid advertising as the most overrated marketing tactic. The next-closest item had only an 11% chance of being cited.

Most Overrated Marketing Tactic by ROI

The best organizations know that paid advertising won't drive success

Paid advertising - print, outdoor, broadcast
- 42%
- 23%
- 29%

Social media
- 11%
- 18%
- 14%

Paid advertising - social media, online ads, PPC
- 15%
- 9%
- 12%

Public analyst relations
- 8%
- 12%
- 10%

Email marketing
- 6%
- 12%
- 11%

Blogging
- 3%
- 11%
- 5%

SEO
- 6%
- 4%
- 5%

Collateral development
- 4%
- 7%
- 5%

Sales enablement
- 3%
- 0%
- 5%

Legend:
- ● Greater ROI than the previous year
- ● Lower ROI than the previous year
- ● About the same as the previous year

0 5 10 15 20 25 30 35 40

Leading marketers track ROI, prove success, and reap the rewards

Best-in-class companies get increased marketing budgets, and they do it by proving their teams are worth the uptick in cash. How? By tracking the returns year-over-year, and subsequently demonstrating a positive ROI.

Respondents were 20% more likely to receive a higher budget in 2015 if ROI was tracked in the first place, and twice as likely to see an increased budget if that tracked ROI was shown to be higher than in 2014. What's more, respondents were nine times more likely to receive a lower budget if they failed to demonstrate a positive ROI.

With this in mind, there is a strong case to be made for dedicating time and resources to establishing links between marketing activity and results.

2015 Budget by ROI Tracking

Tracking ROI correlates with securing budget

58%
37%
7%
5%

Track ROI
Don't track ROI

● Higher budget than last year   ● Lower budget than last year
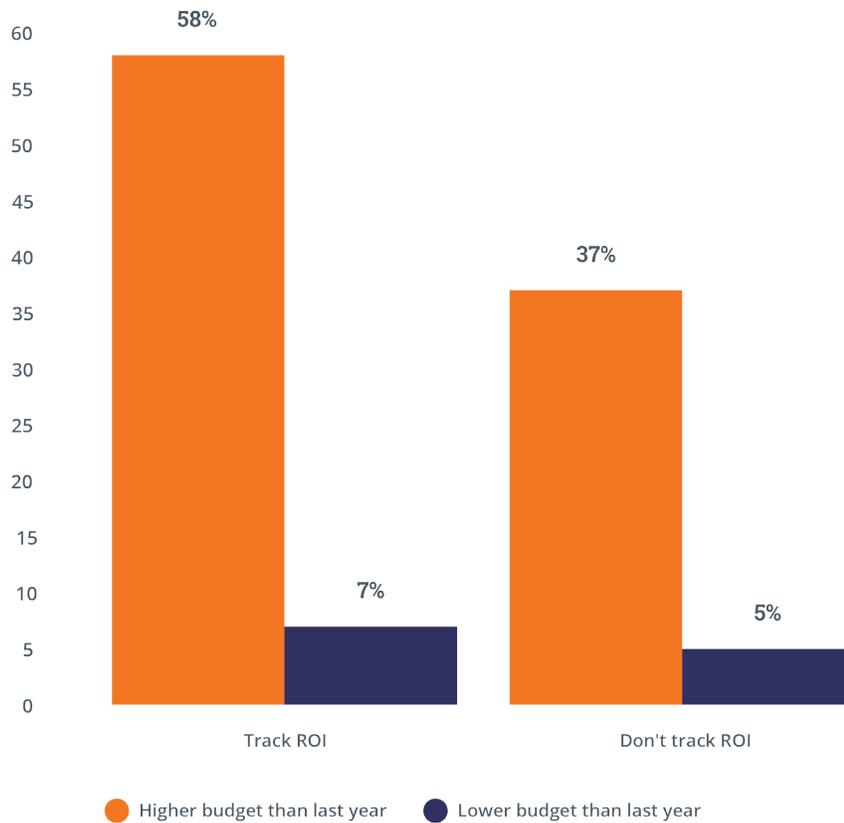
2015 Budget by ROI

Demonstrating positive ROI on marketing spend brings in budget

67%
4%
32%
36%

● Higher budget
● Lower budget

Greater ROI than the previous year
Lower ROI than the previous year
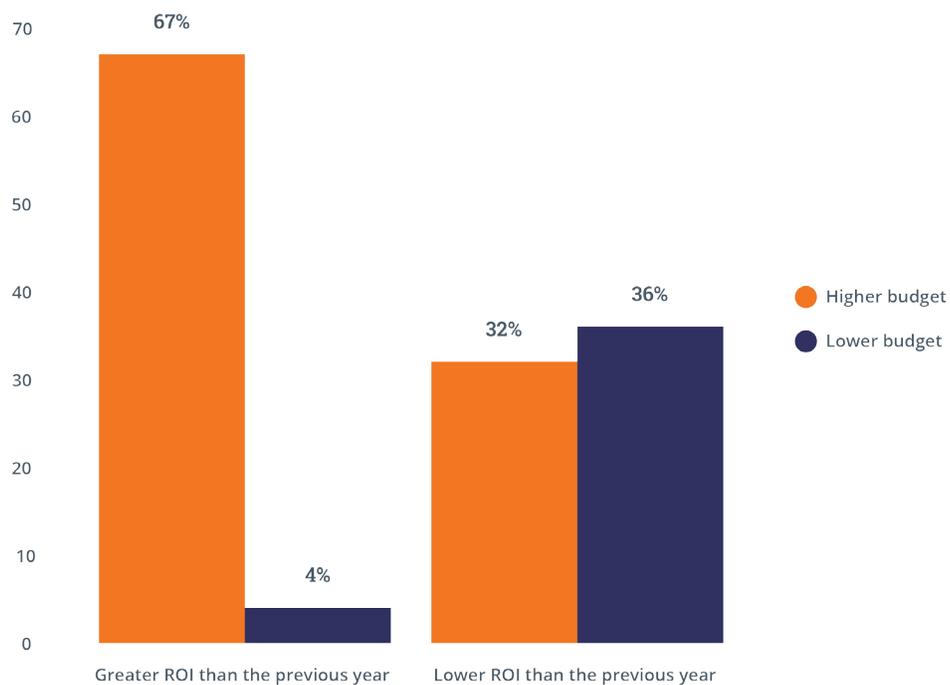
Leading marketers let results drive decisions

We asked our respondents to identify the factors that caused a change to their inbound budget. As was the case in 2014, no single factor was more important in driving a higher inbound budget than past success with inbound marketing. However, past failure with inbound also resulted in higher budget. Of those who failed with inbound last year, 81% increased budget as a result.

What does this mean? Top marketers realize that inbound is a long game. If you get off to a slow start, you shouldn't back off. In fact, you might consider doubling down.

2015 Budget by Budget Change Factors

Past success with inbound marketing is the best way to secure higher budget

	Higher budget	Lower budget
Past success with inbound marketing	97%	3%
Change in management	90%	10%
Past failure with inbound marketing	81%	19%
Economy	65%	35%
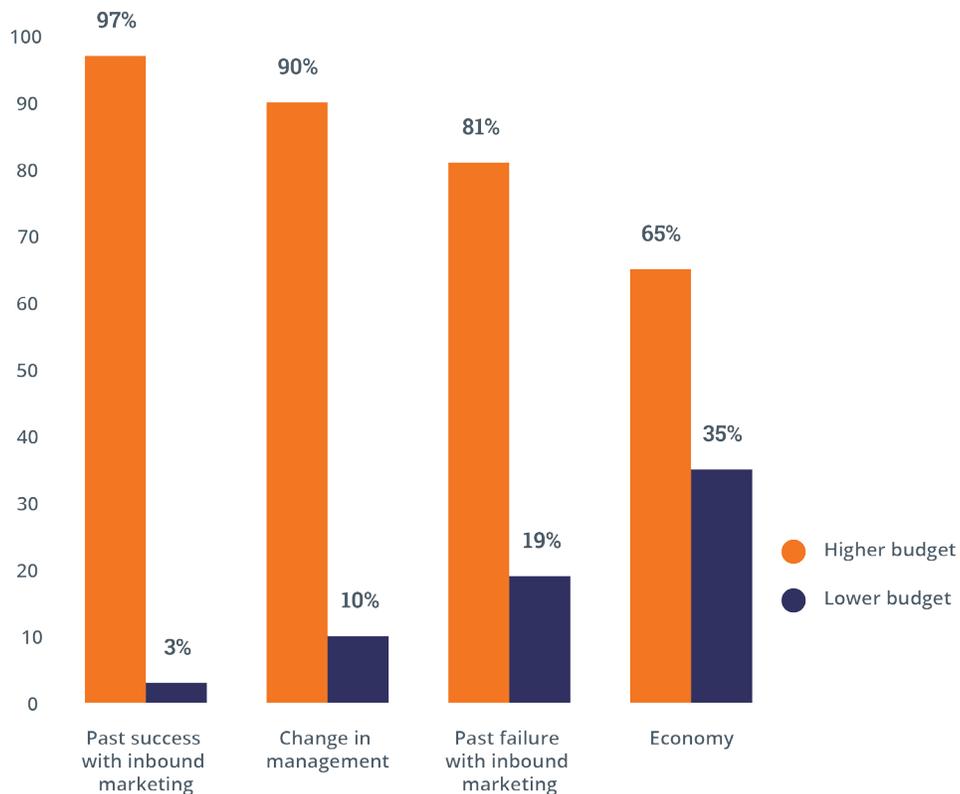
Leading marketers' content comes from in-house and out

The most successful marketing organizations launch a balanced attack on churning out compelling content. In particular, organizations that saw an increase in ROI from 2014 to 2015 were more likely to employ both staff writers and guest contributors in their content creation efforts than their less successful peers.

Content Creation Sources by ROI

Companies with lower ROI call on fewer guest bloggers and staff writers

Staff
79%
62%

Executives
35%
30%

Freelancers
27%
29%

● Greater ROI than the previous year

Guests
20%
9%

● Lower ROI than the previous year

Agency partner
17%
14%

Curation
12%
9%

Writing panels
4%
0%

0   10   20   30   40   50   60   70
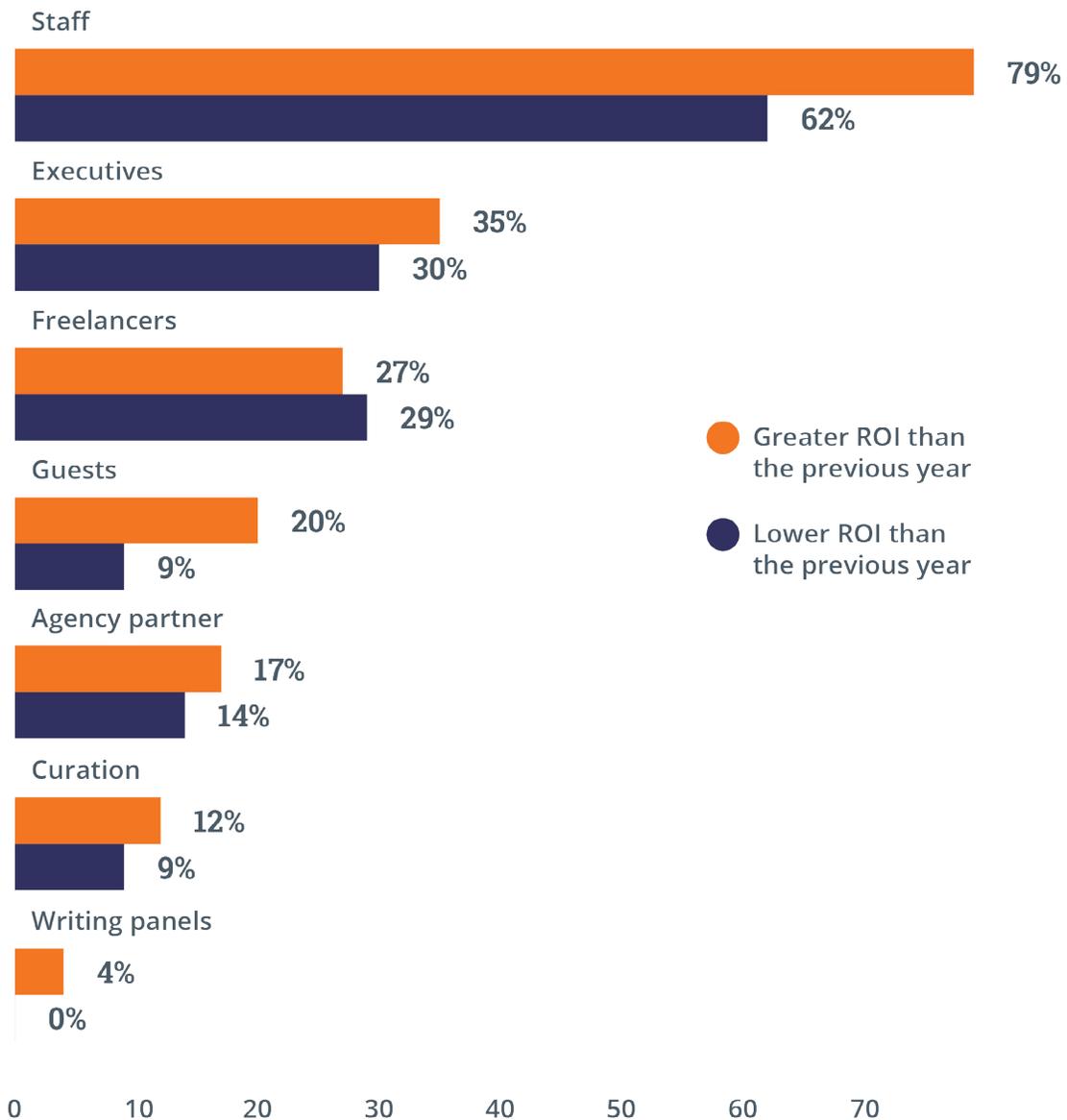
Leading marketers check their analytics frequently

We all know the adage "what gets measured gets managed." But is it true?

According to our data, it is. Respondents who achieved greater ROI in 2015 than the previous year were approximately 20% more likely to check their marketing analytics three or more times per week (or have someone on their team do so).

How Often Do You Check Marketing Analytics?

Leading marketers check their analytics more often than laggards

- 🟠 Two or fewer times per week
- ⚫ Three or more times per week
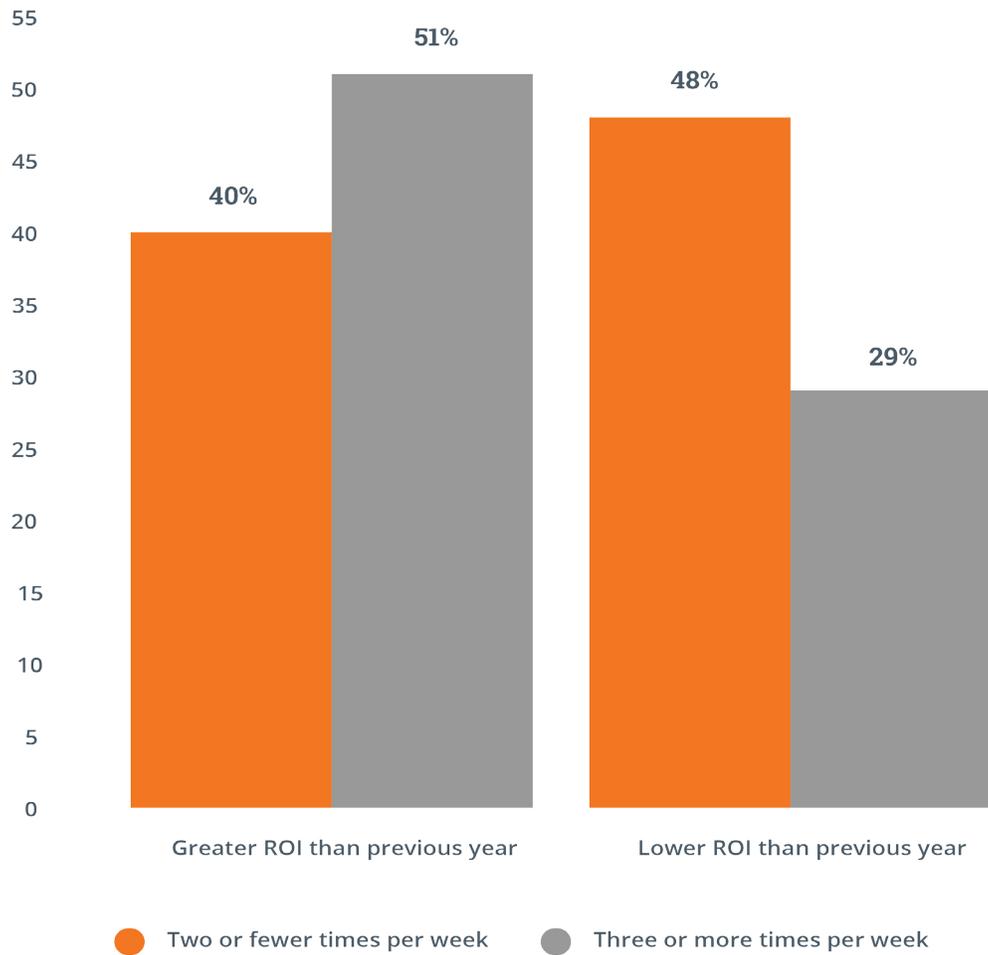
20% MARKETERS WHO CHECK THEIR METRICS 3X+ TIMES A WEEK ARE OVER 20% MORE LIKELY TO ACHIEVE POSITIVE ROI.

Setting Up for Inbound Success

You've gotten a glimpse into some of the practices and strategies of the best marketing departments worldwide. But how do they actually implement inbound?

In this chapter, we'll divulge how leading marketers ascend to the top. What tools do they use? What sort of relationship do they maintain with Sales? How do they think about their metrics (and how often)? This section has the answers:

- Leading marketers use marketing automation software.

- They are involved in the sales software decision-making process.

- They look at their marketing metrics 3+ times per week.

- Teams that secure budget track their ROI.

- SLAs between Marketing and Sales yield more ROI, more budget, and more headcount.

Leading marketers use marketing automation software

The main tool in top marketers' arsenals is a platform for automating their team's marketing efforts. While our respondents indicated using an array of specific products, the larger trend was telling: The guys at the top use marketing automation software in some form or another.

Specifically, those who saw a higher marketing ROI in 2014 were more likely to have used marketing automation software than not. In addition, those same respondents were more likely to see more budget unlocked as a result, and had almost no chance of receiving a lower budget.

Marketing Automation Software Use by ROI

Marketing automation systems help marketers achieve ROI

Legend:
- Greater ROI than the previous year
- Lower ROI than the previous year
- About the same as the previous year

Marketing automation: 52%, 1%, 11%
No marketing automation: 41%, 3%, 11%
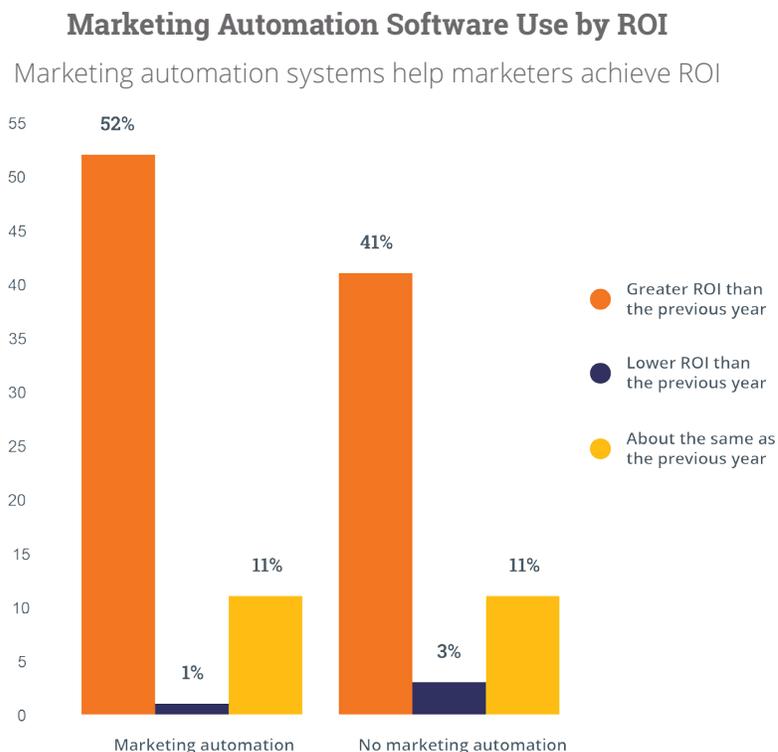
Marketing Automation Software Use by Budget

Marketing automation software users have almost
no chance of receiving a lower budget

60%

51%

○ Higher budget

● Lower budget

7%

2%

Marketing automation

No marketing automation
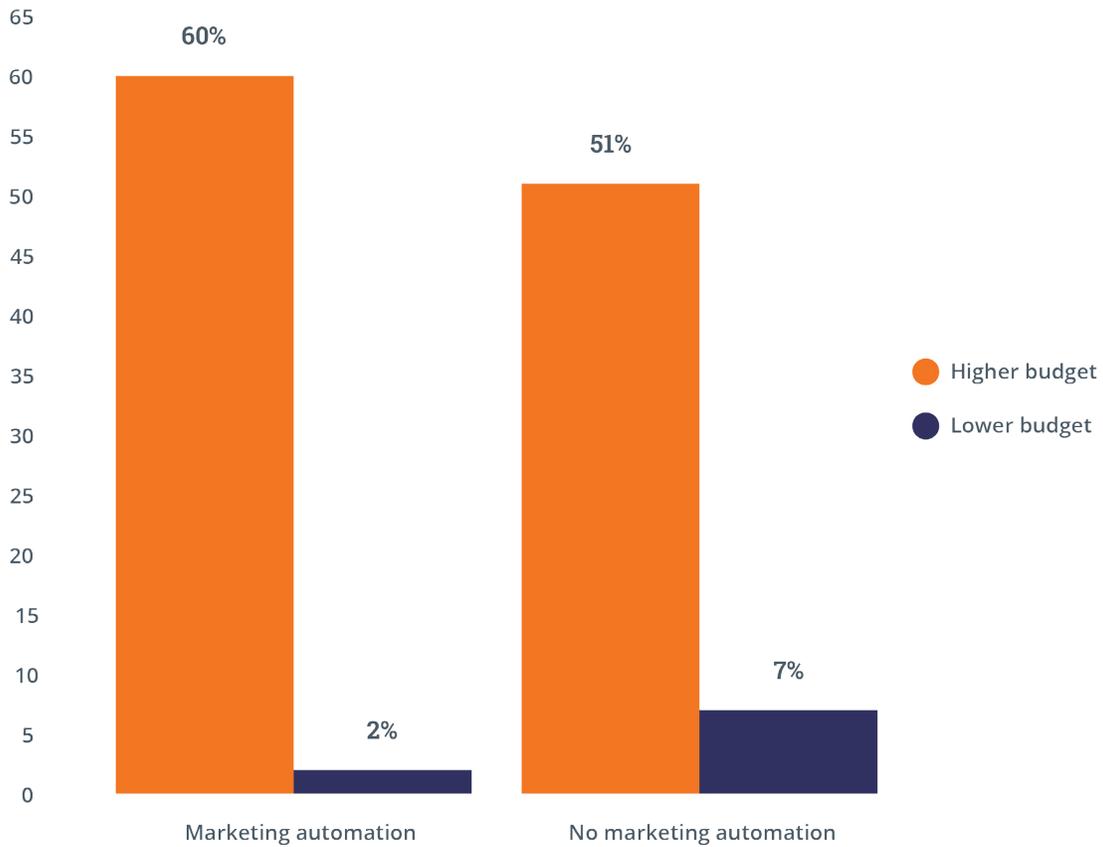
Leading marketers are involved in sales software purchase decisions

Using marketing automation software increases a marketer's chances for success. And when Marketing and Sales loop each other in to software purchase decisions (for both CRM systems and marketing automation tools alike), the odds are even better. Marketers who were involved with sales software selection were 13% more likely to see a positive ROI, and 11% more likely to receive an increased budget.

MARKETERS WHO WERE INVOLVED WITH SALES SOFTWARE SELECTION WERE 13% MORE LIKELY TO SEE A POSITIVE ROI, AND 11% MORE LIKELY TO RECEIVE AN INCREASED BUDGET.

Marketing's Involvement in Sales Software Decisions by ROI

Smarketing tech alignment pays off in ROI

- ● Greater ROI than the previous year
- ● Lower ROI than the previous year
- ● About the same as the previous year

Involved: 44%, 2%, 11%
Not involved: 31%, 4%, 13%
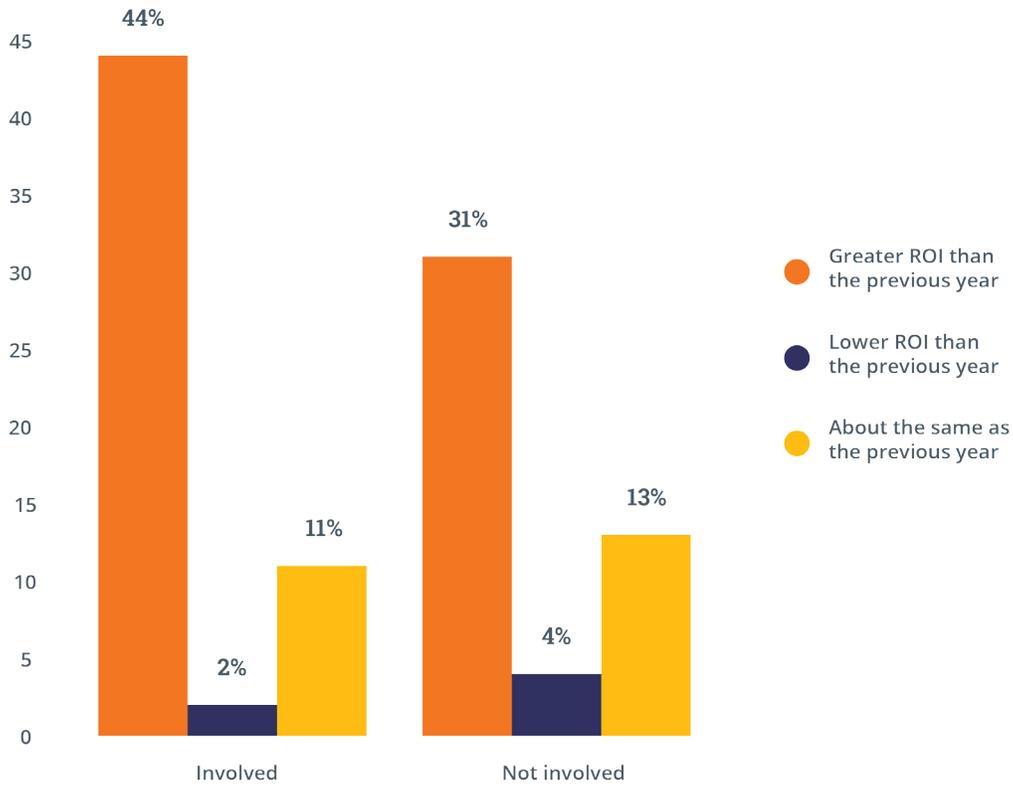
Marketing's Involvement in Sales Software Decisions by Budget

Marketers who get involved in sales tech get higher budgets

- ● Higher budget
- ● Lower budget

Involved: 53%, 6%
Not involved: 41%, 9%
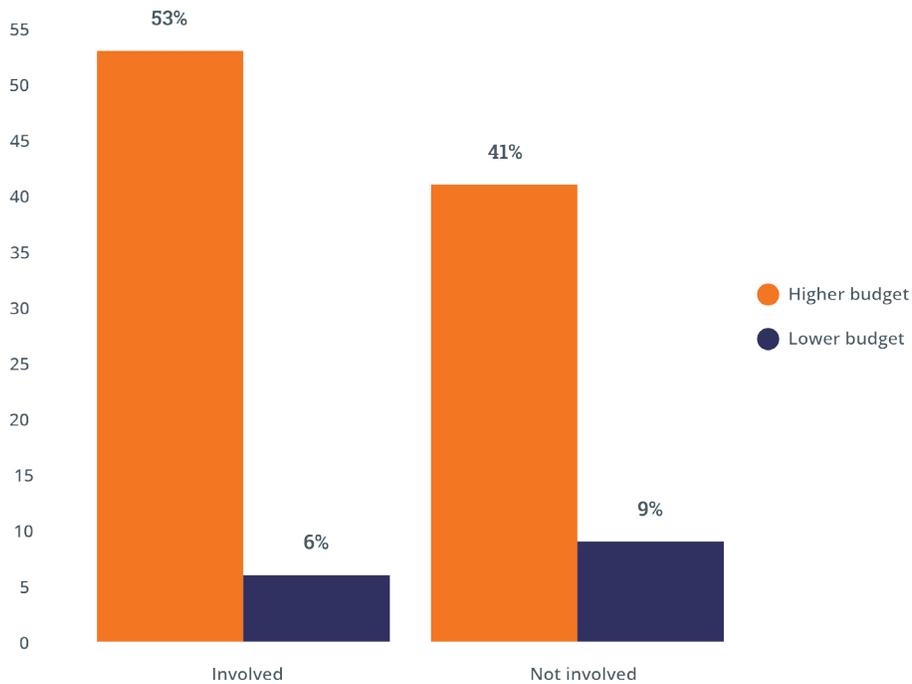
Leading marketers check their metrics religiously

Respondents whose teams checked marketing metrics three or more times a week were over 20% more likely to see an increased ROI in 2015.

Frequency at Which Marketers Check Metrics by ROI

Apparently, watched pots do boil

Greater ROI than the previous year   Lower ROI than the previous year

● Two or fewer times per week   ● Three or more times per week
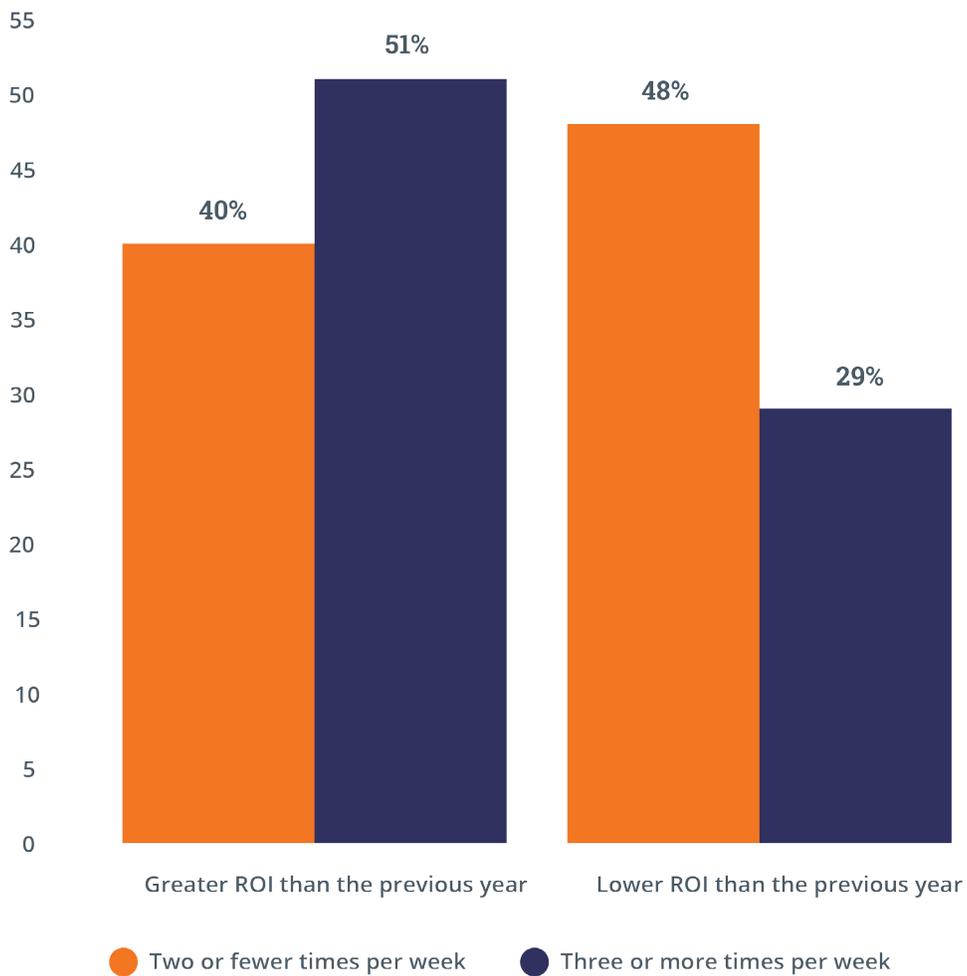
Big budgets, big boosts

How do the best marketers secure budget? Our data revealed that the more budget marketers have to begin with (until they hit the five million dollar ceiling), the more they're likely to receive next year. More than half of all marketers with budgets over $25,000 saw a bump in funds since last year.

Budget Increases by Marketing Spend

The more you have, the more you'll likely receive

Legend: ● Higher budget ● Lower budget ● No change in budget

Data (Higher / Lower / No change):
- $25,000 or less: 43% / 8% / 31%
- $25,001 to $100,000: 55% / 6% / 26%
- $100,001 to $500,000: 56% / 5% / 29%
- $500,001 to $1M: 61% / 5% / 26%
- $1.1M to $5M: 77% / 5% / 14%
- More than $5M: 55% / 6% / 36%
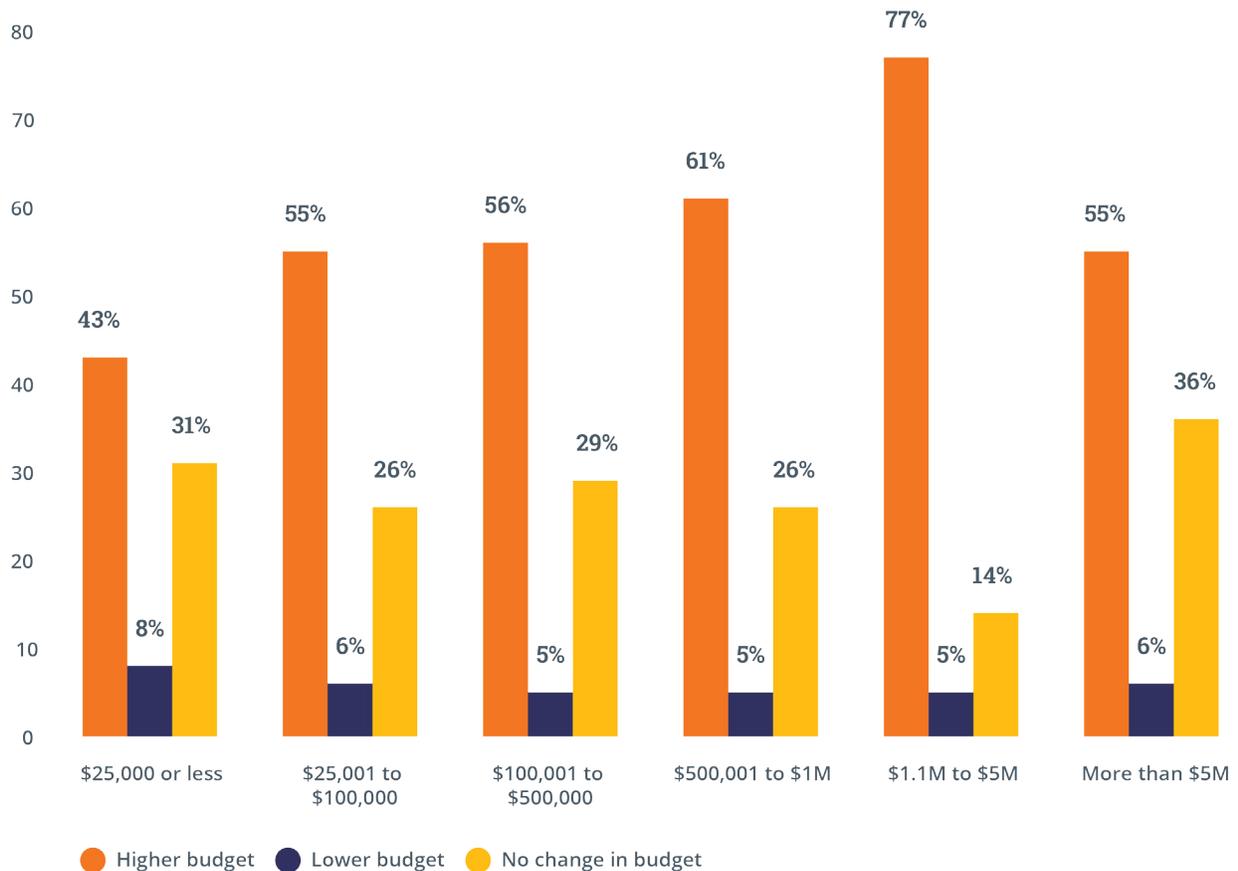
If you're an SMB marketer tirelessly campaigning for each and every dollar, you might despair looking at this chart. But consider that a solid 43% of marketers with budgets under $25,000 received a budget increase in 2015, and for 31%, the level of funding held steady. And if you were one of the 8% whose budget was slashed? Poor ROI tracking could be to blame.

Best-in-class marketers track ROI

We'll say it again -- the key to unlocking budget lies in data proving ROI. And the only way to have that data is to track it in the first place. Respondents who tracked ROI were over 20% more likely to receive higher budget than their counterparts who failed to keep tabs.

2015 Budget by ROI Tracking

Tracking ROI correlates positively with budget increases

- **Higher budget**
- **Lower budget**

	Track ROI	Don't track ROI
Higher budget	58%	37%
Lower budget	7%	5%
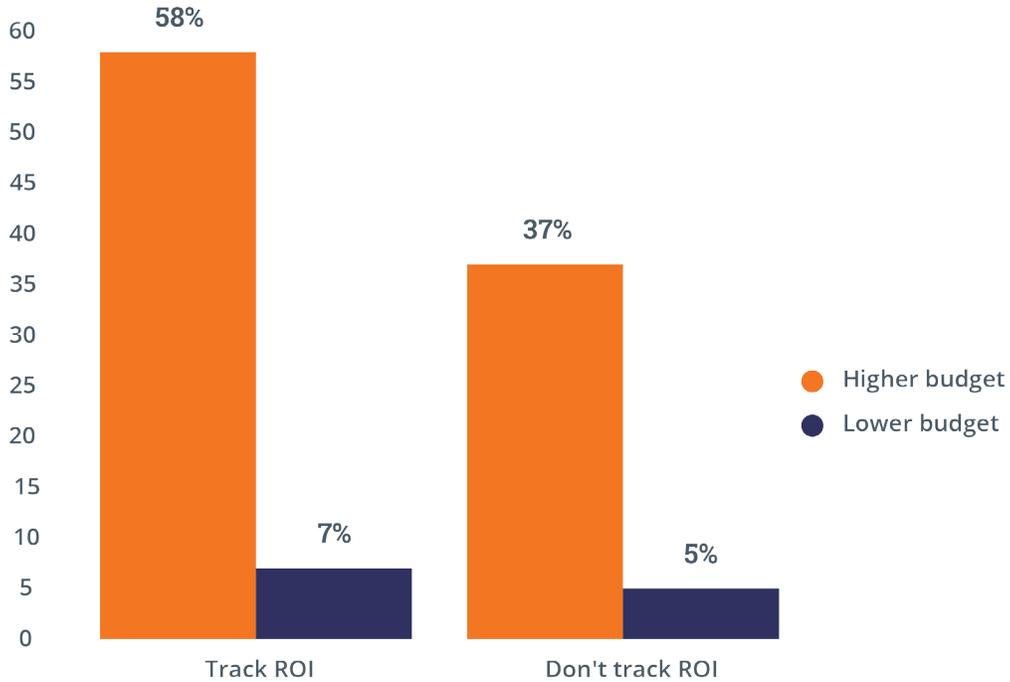
Track the return on your spend, friends. Your budget will thank you. Indeed, if you demonstrate higher ROI, you're twice as likely to secure more budget. If you fail to demonstrate positive ROI, you're nine times more likely to see a decrease in budget. We can no longer afford to be loose about ROI tracking.

2015 Budget by ROI

Prove your ROI, and the budget will roll in

- **Higher budget**
- **Lower budget**

	Greater ROI than the previous year	Lower ROI than the previous year
Higher budget	67%	32%
Lower budget	4%	36%
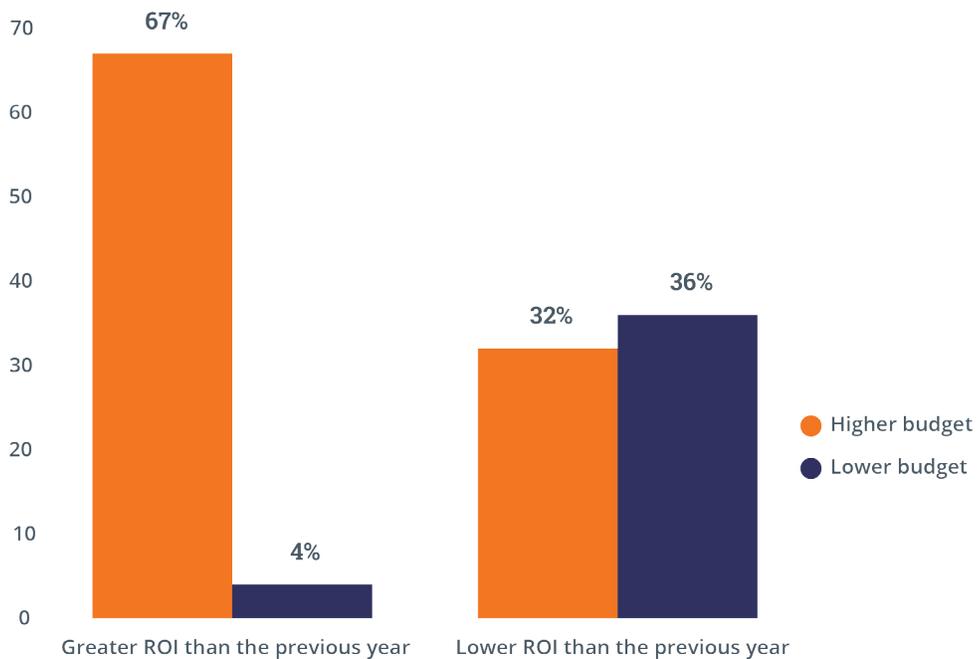
SLAs correlate with success

You might think that all of this inbound glory rests solely on the shoulders of a company's capable marketers.

It doesn't. Inbound success is a team effort, and requires strong alignment between Sales and Marketing. The organizations getting the most out of their marketing budget (and getting more of it) tend to be partnered tightly with Sales.

Of our respondents, those who had a formal agreement between Sales and Marketing were more likely to see higher ROI on marketing dollars in 2015, receive a budget increase, and expand their sales teams. Get an SLA if you don't already have one.

Existence of SLA by ROI

An easy equation: SLA = ROI

47%

35%

● Greater ROI than
the previous year

3%

3%

● Lower ROI than
the previous year

SLA

No SLA
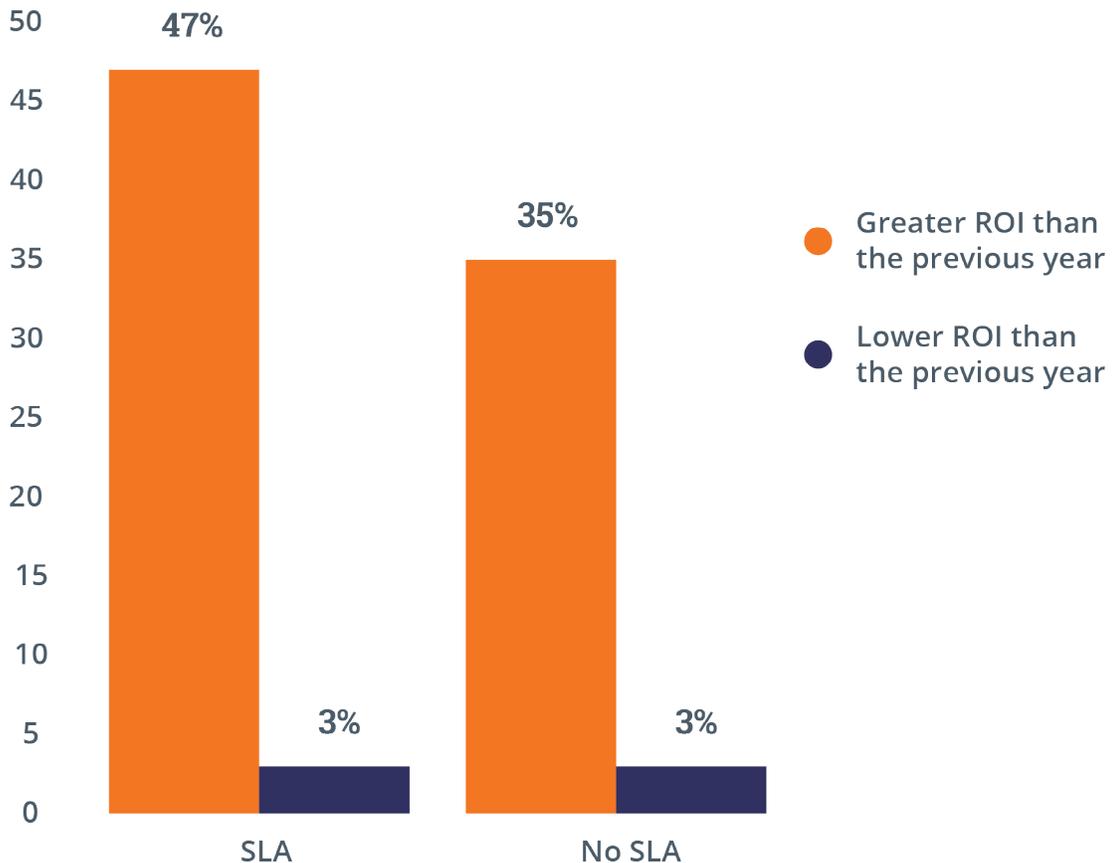
Existence of SLA vs. 2015 Budget

When Sales and Marketing are aligned, marketers get more budget

SLA
- Higher budget: 57%
- Lower budget: 7%
- No Change: 24%

No SLA
- Higher budget: 45%
- Lower budget: 7%
- No Change: 30%

Legend:
- Higher budget
- Lower budget
- No Change
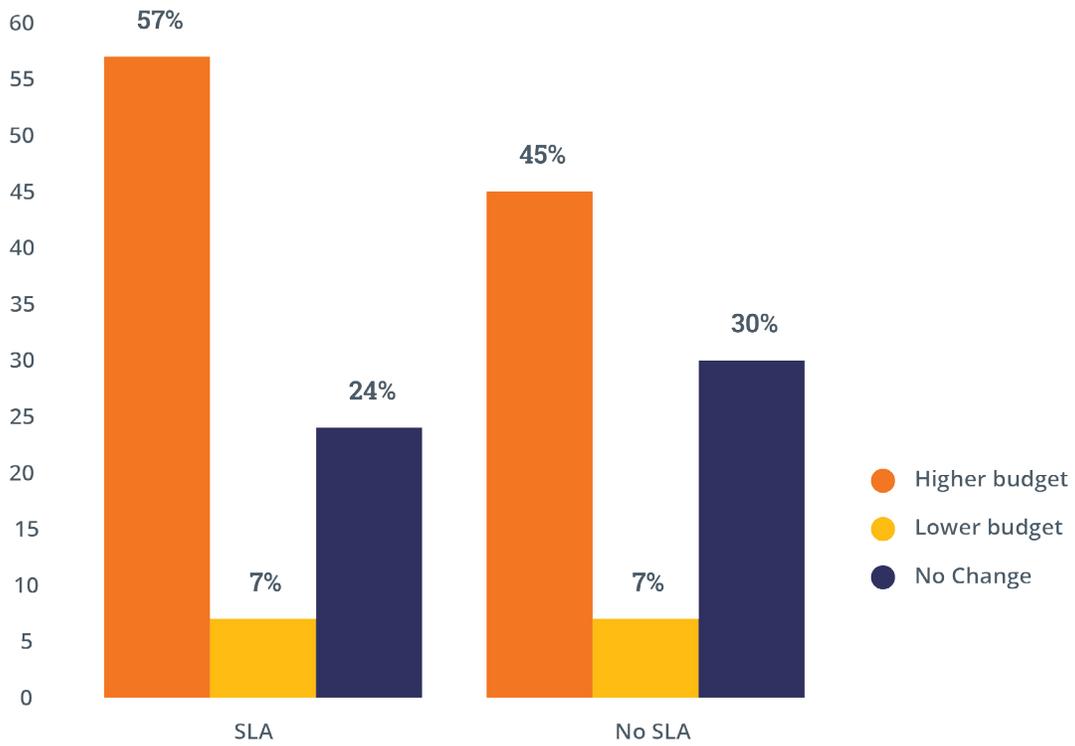
Existence of SLA by Sales Team Size

Strike an agreement with Sales, and watch the team grow

SLA
- Hiring sales teams: 52%
- Stagnant or firing sales teams: 30%

No SLA
- Hiring sales teams: 36%
- Stagnant or firing sales teams: 54%

Legend:
- Hiring sales teams
- Stagnant or firing sales teams
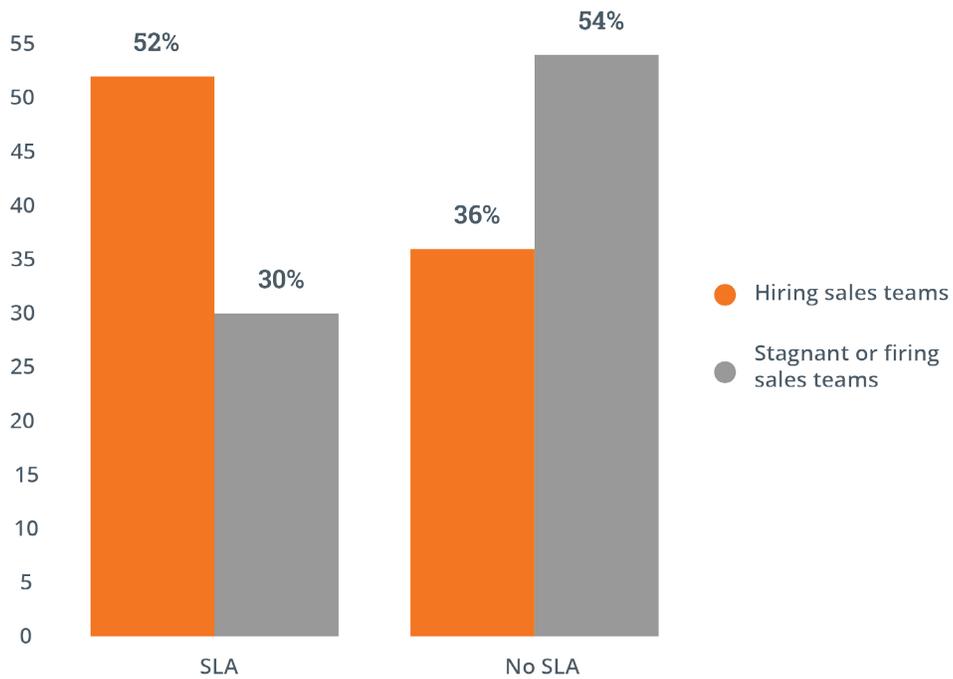
International Inbound

The State of Inbound survey doubled down on international data this year. With respondents from 150 different countries, we gathered the data into five primary regions to get a feel for who's leading the international inbound community:

- Inbound marketing is effective globally.

- While APAC worries about tailoring content to international audiences, LATAM is preoccupied with identifying the right tech.

- North America tracks ROI most reliably, demonstrates more positive ROI, and checks marketing analytics most frequently.

- International marketing communities lag behind on securing an SLA with their sales organizations.

The world is in on inbound

One thing's for sure: The global community is united in their favor of inbound practices. In all five international regions, a 3:1 ratio emerged between those who considered their organization inbound-driven versus outbound-driven.

Inbound vs. Outbound by Region

Inbound is 3x as popular as outbound worldwide
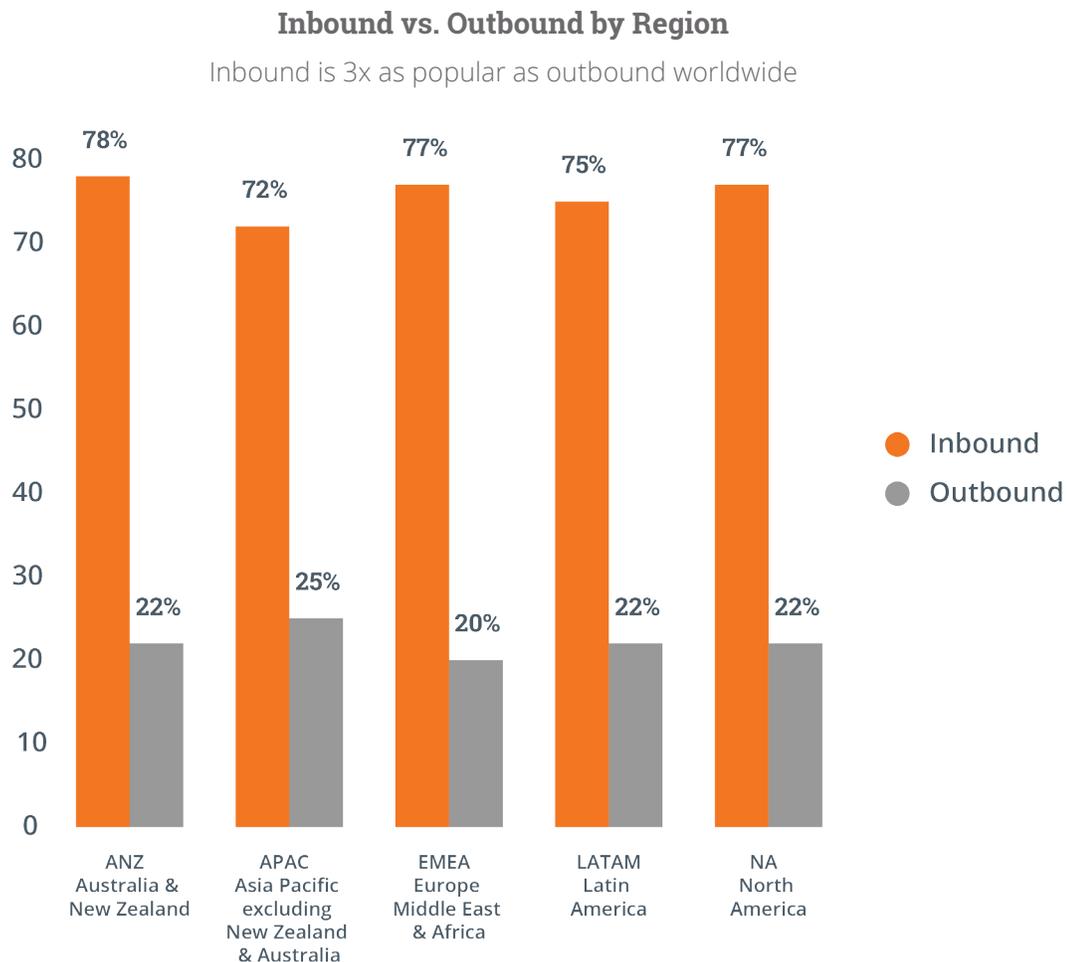
What concerns U.S. marketers might not concern global colleagues

While the marketing world stands united in favor of inbound, it doesn't mean

that each region works the same way. To wit, several differences emerged in how various international regions think about their marketing challenges.

Compared to other regions, Australia, New Zealand, and North America all are proportionally less concerned with training, and more concerned with proving ROI. The Asia Pacific region (excluding Australia and New Zealand) was on average 17% more likely to cite tailoring their content to an international audience as a challenge than other regions. On the other hand, Latin America is proportionally more concerned with identifying the right technologies than other global regions.

Marketing Challenges by Region

Different countries, different worries

Australia & New Zealand

Challenge	%
Proving the ROI of our marketing activities	59%
Securing enough budget	36%
Managing our website	30%
Identifying the right technologies for my needs	24%
Targeting content for an international audience	18%
Training our team	16%
Hiring top talent	12%
Finding an executive sponsor	4%

0 5 10 15 20 25 30 35 40 45 50 55

Asia Pacific excluding New Zealand and Australia

Challenge	%
Proving the ROI of our marketing activities	49%
Targeting content for an international audience	39%
Securing enough budget	33%
Hiring top talent	31%
Training our team	30%
Managing our website	30%
Identifying the right technologies for my needs	24%
Finding an executive sponsor	9%

0 5 10 15 20 25 30 35 40 45 50 55

Europe Middle East and Africa

Proving the ROI of our marketing activities 46%

Securing enough budget 33%

Managing our website 31%

Identifying the right technologies for my needs 28%

Targeting content for an international audience 28%

Training our team 20%

Hiring top talent 16%

Finding an executive sponsor 7%

0 5 10 15 20 25 30 35 40 45 50 55

Latin America

Proving the ROI of our marketing activities 49%

Identifying the right technologies for my needs 38%

Securing enough budget 36%

Managing our website 34%

Training our team 33%

Targeting content for an international audience 22%

Hiring top talent 21%

Finding an executive sponsor 11%

0 5 10 15 20 25 30 35 40 45 50 55

North America

Proving the ROI of our marketing activities 56%

Managing our website 32%

Securing enough budget 30%

Hiring top talent 22%

Identifying the right technologies for my needs 20%

Training our team 20%

Targeting content for an international audience 13%

Finding an executive sponsor 4%

0 5 10 15 20 25 30 35 40 45 50 55

North America leads in ROI tracking

All players in the international marketing community share the desire to see a higher ROI year-over-year -- but not everyone tracks ROI in the first place. While half of North American respondents saw a higher ROI in 2015, more than half of survey takers in Latin America didn't know their ROI to begin with. As mentioned earlier, tracking your ROI is the first step in proving positive ROI, which in turn unlocks budget.

In addition, North America was the only region where more than half of respondents indicated they check their marketing metrics three or more times per week. International regions have catching up to do in terms of tracking metrics and ROI.

ROI by Region
North American marketers are most likely to achieve ROI

ANZ Australia and New Zealand
3%   34%

APAC Asia Pacific excluding New Zealand and Australia
5%   39%

EMEA Europe Middle East and Africa
3%   36%

LATAM Latin America
3%   34%

NA North America
2%   49%

● Greater ROI than the previous year
● Lower ROI than the previous year

-5   0   5   10   15   20   25   30   35   40   45
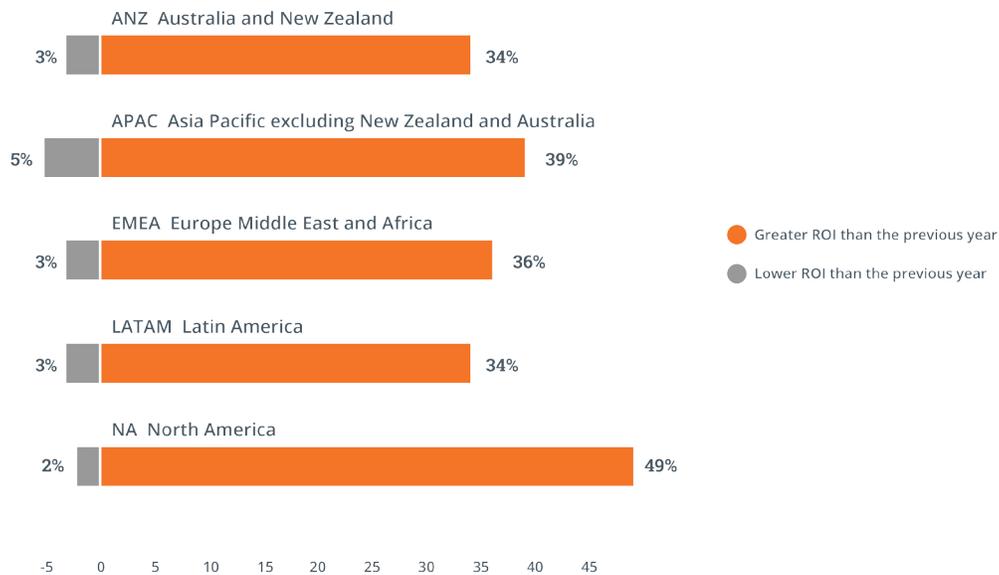
ROI Tracking by Region
North American marketers are most likely to track ROI

ANZ Australia and New Zealand
54%
46%

APAC Asia Pacific excluding New Zealand and Australia
55%
45%

EMEA Europe Middle East and Africa
51%
49%

● Track ROI
● Don't track ROI

LATAM Latin America
46%
54%

NA North America
63%
37%

0   5   10   15   20   25   30   35   40   45   50   55   60
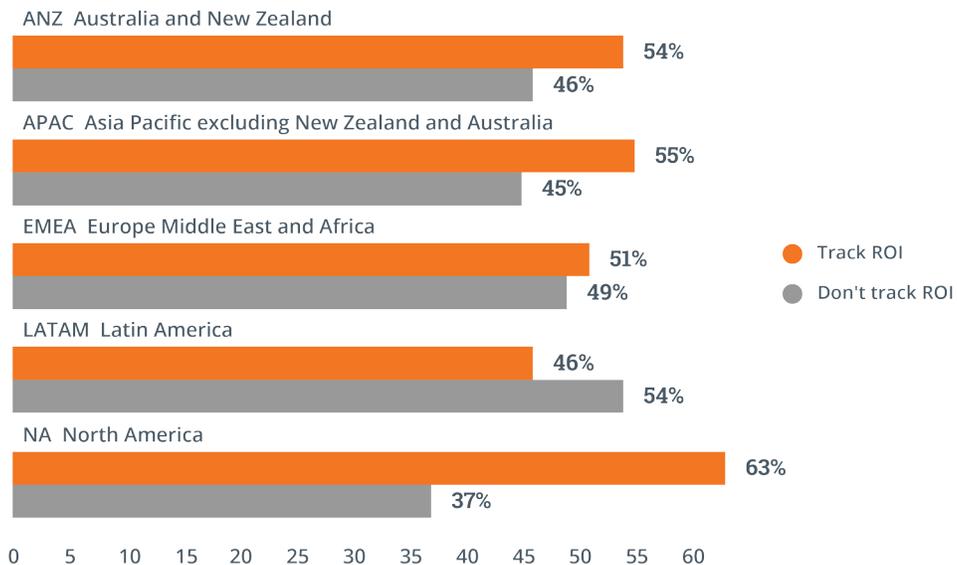
Frequency at Which Marketers Check Metrics by Region

More than 50% of North America checks 3x+ per week; other regions trail behind

ANZ
- 42% ● Three or more times per week
- 30% ● Two or fewer times per week

APAC
- 33%
- 28%

EMEA
- 38%
- 32%

LATAM
- 30%
- 34%

North America
- 57%
- 20%

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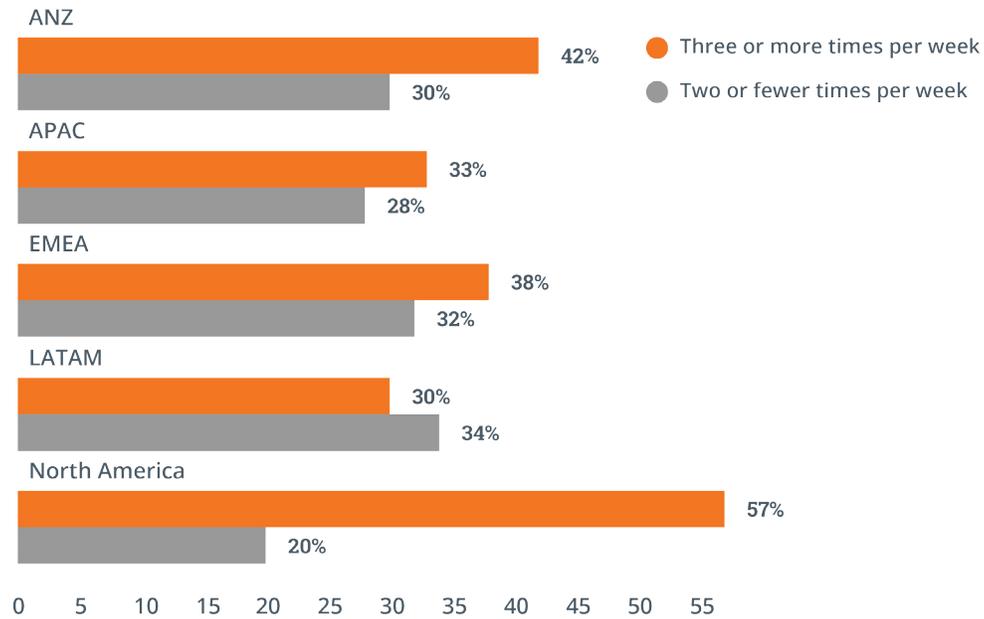
Everyone has catching up to do when it comes to SLAs

Our survey showed that a formal SLA between sales and marketing departments leads to increased budget and increased ROI. However, only between 30% and 40% of respondents in each region we polled indicated their organization has one. Opportunities abound for increased departmental alignment between international sales and marketing teams.

SLA by Region

SLAs spike ROI and budget, but roughly only a third of respondents said their organization has one

Region	Value
ANZ Australia & New Zealand	30%
APAC Asia Pacific excluding New Zealand & Australia	35%
EMEA Europe Middle East & Africa	31%
LATAM Latin America	38%
NA North America	37%
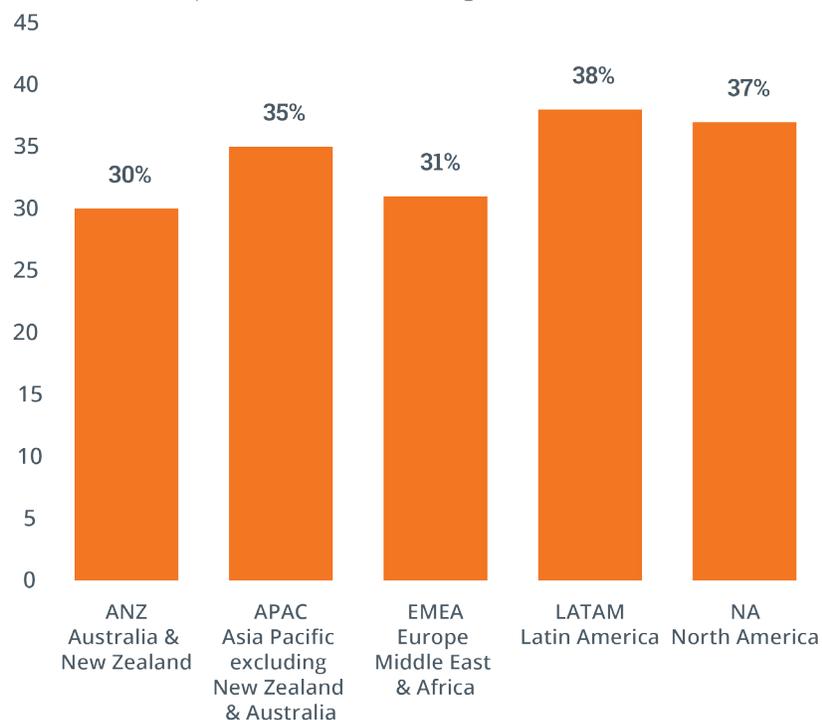
Survey Methodology

HubSpot fielded our 2015 State of Inbound survey between Wednesday, June 3, 2015 and Monday, July 6, 2015. The survey was administered online, where 3,957 respondents completed it. To see an exact demographic breakdown of the completed survey respondents, please reference the "Who We Talked To" section of the report.

The sampling method was a voluntary sample, with the audience solicited through promotional channels including Facebook, Twitter, LinkedIn, paid, and email campaigns.

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State of Inbound
Sales

Introduction

Sales and marketing are two sides of the same coin. All of Marketing's lead generation work goes to waste if salespeople aren't following up on those contacts and converting them into customers. In order to be truly successful in business today, Sales and Marketing must work together as partners rather than adversaries.

It was in this spirit that HubSpot included salespeople in the State of Inbound survey for the first time last year. 2014's *State of Inbound Sales* found that despite the significant hype, "social selling" was not a highly prioritized initiative among sales teams, manual data entry was salespeople's number one complaint about their CRM systems, and salespeople are often hamstrung by a lack of information about their prospects, among other insights.

Some things change, and some things stay the same. While a few new trends emerged this year, other results remained relatively consistent. This makes sense -- after all, meaningful change and progress takes time. But we're willing to bet your eyebrows will rise in surprise at least once as you read this report.

This report is divided into four chapters:

Sales Priorities
Sales Technology
Sales Challenges
Sales Trends

The Top 6 Takeaways

1. Social selling is still more hype than reality. However, pockets exist where interest is on the rise -- notably among executives, and in the APAC and EMEA regions.

2. Sales technology budgets have shrunk since last year. In addition, sales departments that have adopted emerging sales tools don't cite confidence with those tools.

3. Different roles within the sales team experience different CRM obstacles. While manual data entry is still the biggest CRM problem overall, executives struggle with lack of adoption, and managers cry lack of integration with other tools.

4. Prospecting is the most difficult step of the sales process. This issue is compounded by the fact that salespeople lack vital information before they reach out to leads.

5. Field sales isn't really dying. Despite sensational articles declaring the demise of field sales, hiring data shows that outside reps are getting hired (and fired) at more or less the same rate as inside reps.

6. Executive buyers are not very trusting of salespeople. To regain credibility among executives, salespeople should arm themselves with content and become active on social networks.

═ Chapter 1
Sales Priorities

Even though the mantra "always be closing" has largely been displaced by "always be helping," salespeople's number one directive is still to bring in new business and generate revenue. The way they go about closing might have changed, but their eyes are still firmly fixed on that goal.

In keeping with last year's results, "closing more deals" remains salespeople's number one priority.

What Are Your Company's Top Sales Priorities?

Closing more deals tops salespeople's to-do lists

Improving the efficiency of the sales funnel

18%

Improving existing sales technology

11%

Reducing the length of sales cycle

10%

Training the sales team

10%

Social selling

8%

Investing in sales enablement

7%

Investing in a CRM

6%

| 0 | 2 | 4 | 6 | 8 | 10 | 12 | 14 | 16 |
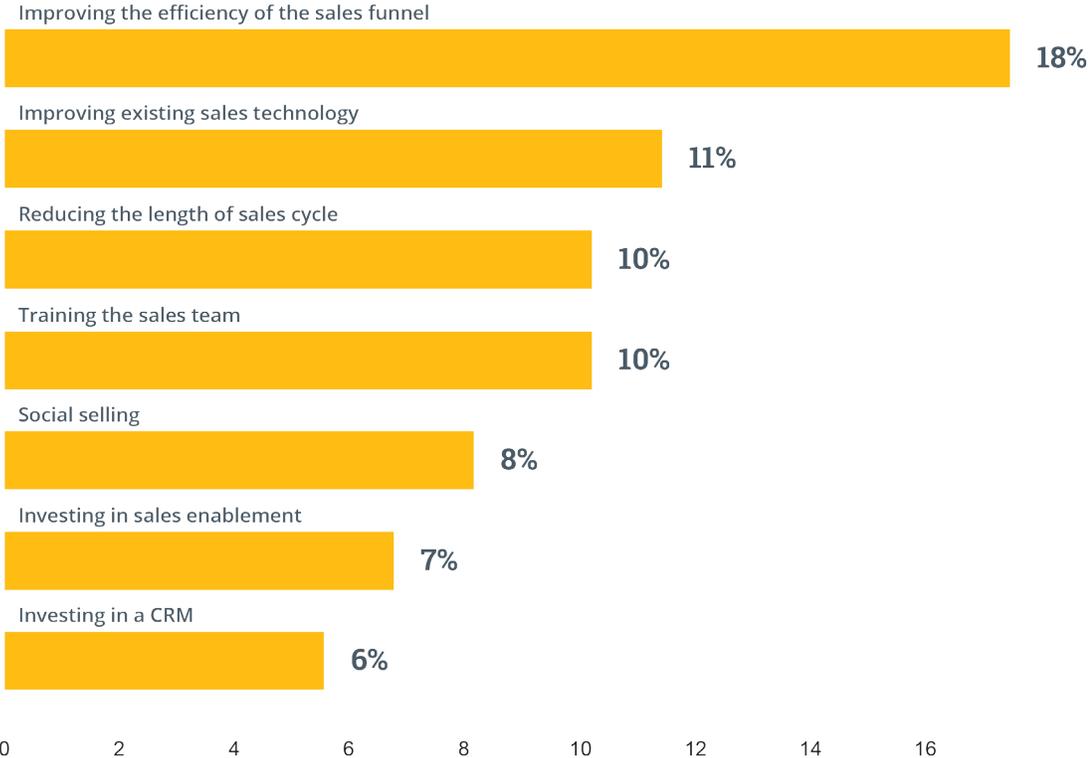
This top priority holds steady regardless of level in company, region, and B2B vs. B2C. If there's one thing sales teams of all stripes can agree upon, it's that ramping up revenue through more closed deals is of prime importance.

It's interesting to note that the number two priority -- "improving the efficiency of the sales funnel" -- remains consistent across all sections as well. Sales teams not only want to close more deals, they are striving to close them faster.

Equally as informative as what rose to the top of the to-do list is what fell to the bottom. Social selling has barely increased in importance over the past year despite the considerable hype around the term and increasing evidence of its effectiveness as a sales tactic. Social selling was prioritized by just slightly more than 8% of respondents this year, as compared to 7% last year.

However, social selling is catching on in notable areas. For example, social selling ranked higher on executives' priority lists (albeit not by much) than any other level. This could indicate the very early days of an uptick in social selling adoption as executives begin to investigate and implement use among their teams.

Sales Priorities by Level in Company

Executives prioritize social selling more highly than their direct reports

Closing more deals
- 73%
- 80%
- 68%
- 77%

Improving the efficiency of the sales funnel
- 42%
- 59%
- 49%
- 45%

Improving existing sales technologies
- 28%
- 37%
- 28%
- 21%

Training the sales team
- 19%
- 35%
- 28%
- 27%

Reducing the length of sales cycle
- 29%
- 35%
- 26%
- 23%

Social selling
- 25%
- 24%
- 20%
- 18%

Investing in sales enablement
- 18%
- 17%
- 16%
- 15%

Investing in a CRM
- 15%
- 15%
- 17%
- 6%

Legend:
- ● Executive
- ● Non-executive VP or director
- ● Manager or senior manager
- ● Individual contributor

0   10   20   30   40   50   60   70   80

In terms of location, APAC and EMEA tended to prioritize social selling more highly than their peers in North America and LATAM.

Top Sales Priorities by Region

Glimmers of social selling interest in APAC and EMEA

Closing more deals

- ANZ: 62%
- APAC: 68%
- EMEA: 66%
- LATAM: 75%
- NA: 84%

Improving the efficiency of the sales funnel

- ANZ: 42%
- APAC: 52%
- EMEA: 44%
- LATAM: 45%
- NA: 58%

Reducing the length of sales cycle

- ANZ: 21%
- APAC: 26%
- EMEA: 27%
- LATAM: 26%
- NA: 43%

Training the sales team

- ANZ: 12%
- APAC: 29%
- EMEA: 15%
- LATAM: 31%
- NA: 26%

Improving existing sales technologies

- ANZ: 17%
- APAC: 23%
- EMEA: 23%
- LATAM: 34%
- NA: 24%

Social selling

- ANZ: 21%
- APAC: 39%
- EMEA: 23%
- LATAM: 21%
- NA: 18%

Investing in sales enablement

- ANZ: 12%
- APAC: 19%
- EMEA: 12%
- LATAM: 21%
- NA: 13%

Investing in a CRM

- ANZ: 4%
- APAC: 19%
- EMEA: 13%
- LATAM: 15%
- NA: 16%

Legend

- ANZ Australia and New Zealand
- APAC Asia Pacific excluding New Zealand and Australia
- EMEA Europe Middle East & Africa
- LATAM Latin America
- NA North America

CRM was another relatively low-ranked priority, again in keeping with last year's findings. This is noteworthy in light of the not insignificant number of respondents who are seeking to "improve existing sales technologies." Companies that have spent a healthy amount of time and money optimizing their CRM system for their unique sales force are likely hesitant to walk away from their investment, instead opting to continuously patch and refine the tool.

Or could a lack of education be to blame for the low prioritization of CRM? Traditionally viewed as a contact management database and little else, modern CRM systems can actually speed the sales process and enable salespeople to close more deals. It's possible that CRM will rise in importance over coming years as sales leaders, managers, and representatives realize that cutting-edge CRMs provide means to an end for their top two priorities: closing more deals, faster.

≡ Chapter 2
Sales Technology

How does closing more deals more efficiently with less available resources rub you? If you're like most salespeople, this probably doesn't make you too happy. And yet, this is exactly the dilemma sales teams face in the coming year as they try to achieve the same or higher goals with lower sales technology budgets.

Indeed, budgets for sales technology have decreased from last year's estimates. Of respondents who were privy to their sales tech budgets, 93% indicated their companies planned to spend $100,000 or less, with 78% spending less than $25,000.

How Much Will Your Company Spend on Sales Technologies This Year?

Sales is struggling with decreased budgets

More than $5M

.41%

$1.1M - $5M

.97%

$500,001 - $1M

1%

$100,001 - $500,000

2%

$25,000 or less

58%

| 0 | 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 | 50 | 55 |
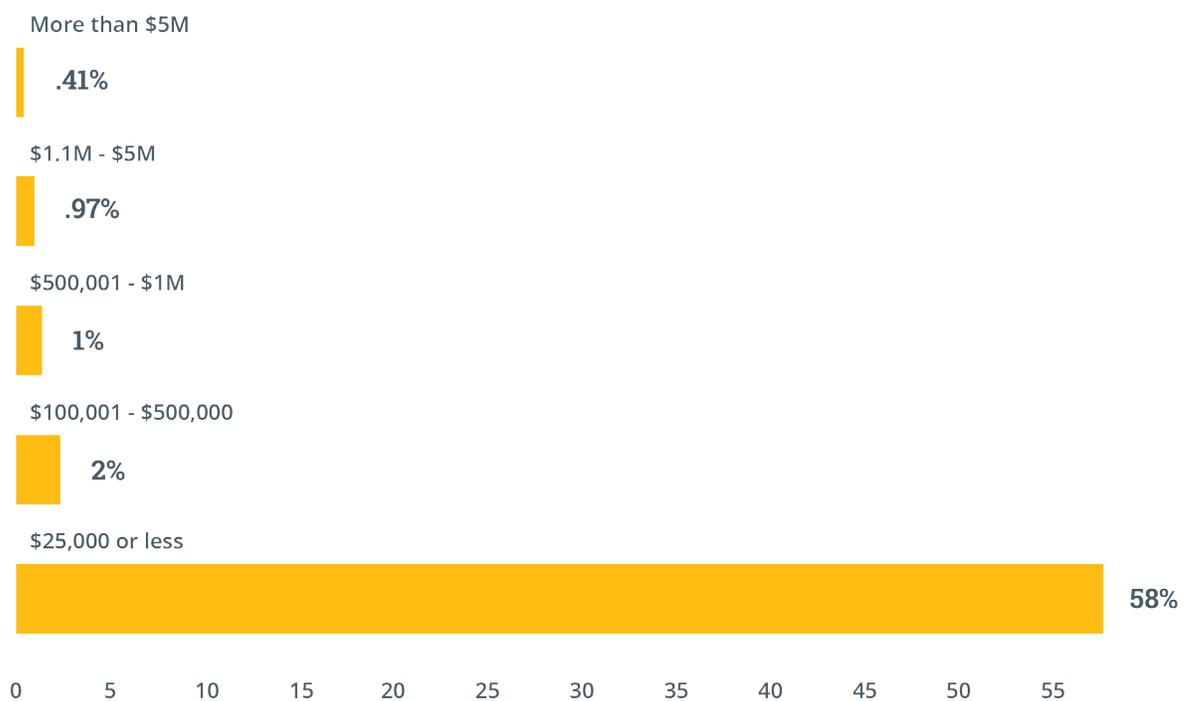
Unsurprisingly, budgets increased with team size. While larger teams can afford to adopt and deploy new sales systems, smaller teams have to be scrappier with their tools. Fortunately, a market of lightweight, inexpensive sales products are emerging in response to these lean and mean teams' needs.

2015 Budget by Sales Team Size

Big teams get more money

More than $5M
- 0%
- 5%
- 0%

$1.1M - $5M
- 0%
- 5%
- 19%

$500,001 - $1M
- 1%
- 5%
- 6%

$100,001 - $500,000
- 2%
- 8%
- 0%

Legend:
- 🟡 0-20 sales reps
- 🔵 21-100 sales reps
- 🟠 More than 100 sales reps

$25,001 - $100,000
- 11%
- 20%
- 12%

$25,000 or less
- 64%
- 28%
- 6%

X-axis: 0 10 20 30 40 50 60 70
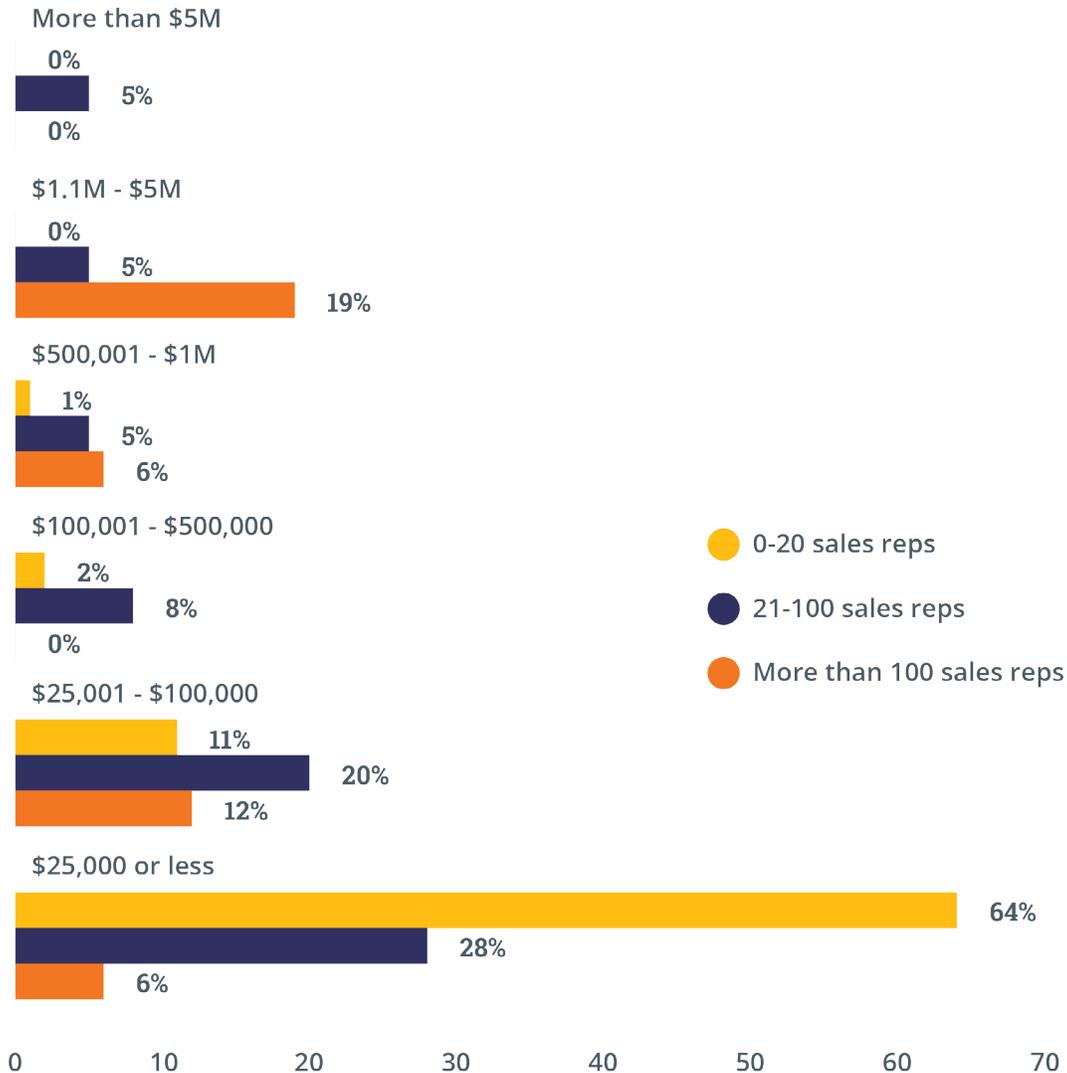
In addition to falling budgets, sales teams that have adopted new tools haven't been blown away by them.

Of respondents who were using different types of sales tools and felt confident ranking their level of satisfaction, highly satisfied users consistently comprised the minority. In the following chart, we've borrowed the language of Net Promoter Score, and classified "extremely satisfied" respondents as "promoters," "satisfied" and "somewhat satisfied" users as "passives," and "not satisfied" users as "detractors."

Approval ratings emerged as follows:

- **Digital transaction services (e.g. DocuSign):**
  Promoters - 17%, Passives - 69%, Detractors - 14%

- **CRM software (e.g. Zoho):**
  Promoters - 13%, Passives - 77%, Detractors - 10%

- **Business data software (e.g. Data.com):**
  Promoters - 11%, Passives - 77%, Detractors - 13%

- **Sales engagement platform (e.g. Clearside):**
  Promoters - 9%, Passives - 81%, Detractors - 10%

- **Email tracking (e.g. Sidekick):**
  Promoters - 20%, Passives - 70%, Detractors - 10%

As you can see, sales technology champions among current adopters are few and far between. And a significant percentage of respondents fell into the troubling "non-adopter" category. Of respondents who knew what sales technology their team had in place, nearly a quarter (24%) indicated their company did not use a CRM system.

~24% OF TEAMS **DO NOT** USE A CRM
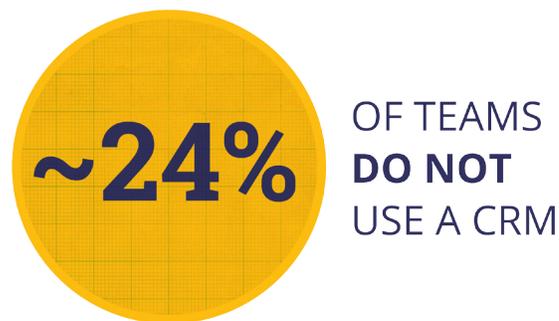
Even more alarming is the fact that approximately 46% of salespeople in our survey are not exclusively using dedicated technology to store lead and customer data. Instead, they're relying on physical files, Google docs, and other "informal means" in place of or in addition to a dedicated system.

Does this impact performance? Using hiring data as a proxy for success (i.e., sales teams that are actively hiring are "successful," and those that are stagnant or reducing headcount are "unsuccessful"), we found that unsuccessful teams were more than twice as likely to use Excel, Outlook, and/or physical files to store lead and customer data than their successful counterparts.

Similarly, unsuccessful teams were nine times as likely to report that they didn't know where leads or customer information was stored, or that the question was not applicable to them (remember that all of our respondents were in sales).

What System Does Your Organization Use to Store Leads?

Unsuccessful teams are more likely to rely on informal
means than their successful counterparts

Marketing automation software

| 41% | 59% |

Custom database

| 33% | 67% |

Google Docs

| 46% | 54% |

Informal means such as Microsoft Excel or Outlook

| 31% | 69% |

Physical files or folders

| 33% | 67% |

CRM software

| 37% | 63% |

0   10   20   30   40   50   60   70   80   90   100

🟠 Hiring sales teams   ⚫ Stagnant or firing sales teams
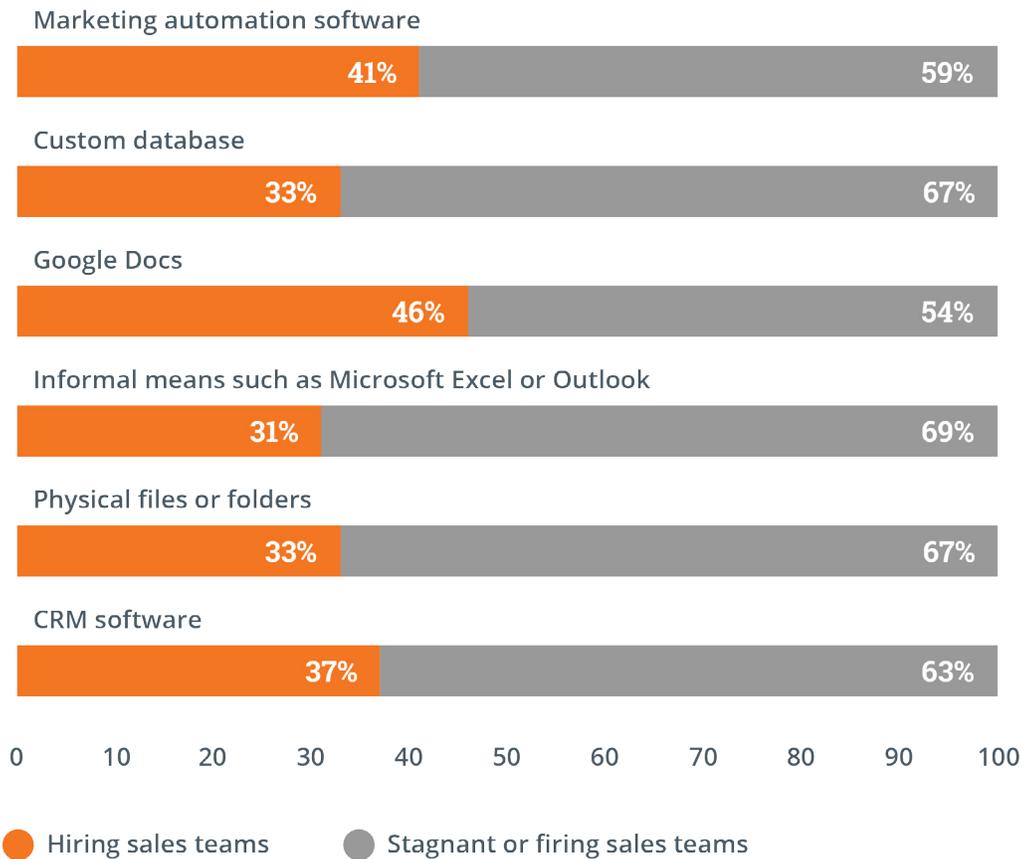
However, unsuccessful teams weren't the only ones storing lead information via informal means. Our data indicated that 46% of successful teams stored some or all of their lead and customer data in Google Docs. This could speak to a need for collaboration capabilities which CRM systems have not traditionally delivered. As dedicated sales technology becomes more collaborative, it will be interesting to note if this percentage falls.

Another less encouraging explanation is that sales teams are scrimping on their contact information storage systems. While saving money where you can is wise (and essential for small companies), cutting corners with lead and customer management -- the lifeblood of your business -- might not be the smartest choice.

But it's not all bad news on the technology front. Despite smaller budgets, more companies are evaluating sales tools spanning a variety of categories than last year, with the exception of sales enablement software. While the greatest number of salespeople are evaluating CRM -- perhaps some non-adopters deploying their first system -- the biggest jump in interest year-over-year was in sales engagement platforms.

Which Tools Do You Plan to Evaluate or Purchase by 2016?

Interest in sales tech is on the rise

CRM software (e.g Salesforce, Zoho)

17%
18%

Sales enablement software (e.g. Signals)

11%
9%

Digital transaction services (e.g. DocuSign)

7%
8%

● 2014

● 2015

Business data software (e.g. data.com)

8%
10%

Sales engagement platform (e.g. ClearSlide)

8%
13%

0   5   10   15   20

UNSUCCESSFUL SALES TEAMS ARE **2X MORE LIKELY TO USE EXCEL, OUTLOOK, OR PHYSICAL FILES** TO STORE LEAD AND CUSTOMER DATA.
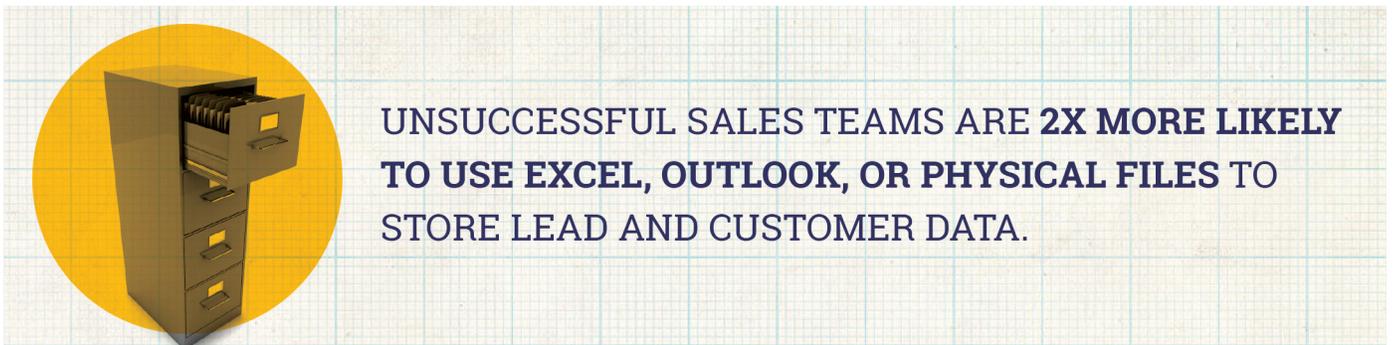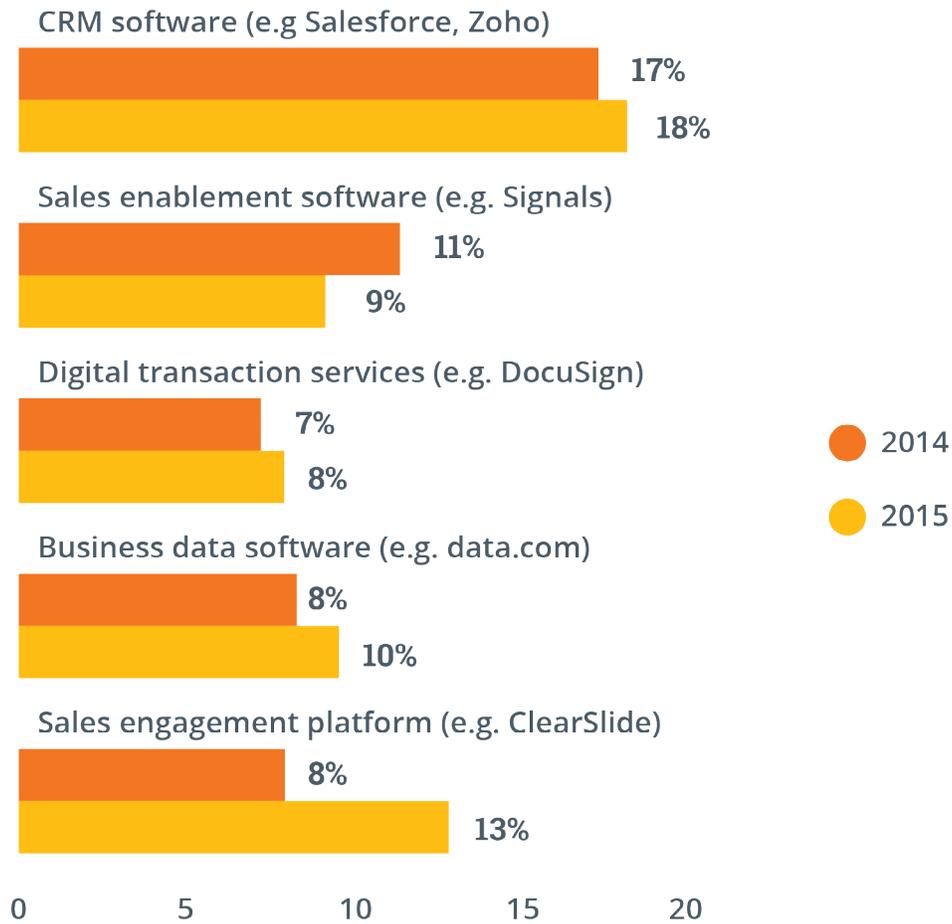
Chapter 3
Sales Challenges

Today's buyer is notably different than the buyer of decades past -- or even just a few years ago. Decision makers enter the sales process much more informed about sales offerings than they used to be, and they're seemingly busier than ever before.

Although salespeople by and large have proven their resilience by tailoring their process to the modern buyer, there are still some challenges that arise from this seismic shift. This section of our report deals with salespeople's most pressing problems -- in terms of both process and technology.

This year, we asked salespeople about the hardest part of the sales process. Prospecting was the number one answer, with 42% of the vote. Closing came in second with approximately 36%, and qualifying garnered a 22% response.

What Part of the Sales Process Do Reps Struggle With Most?

Prospecting is the most difficult part of the sales process
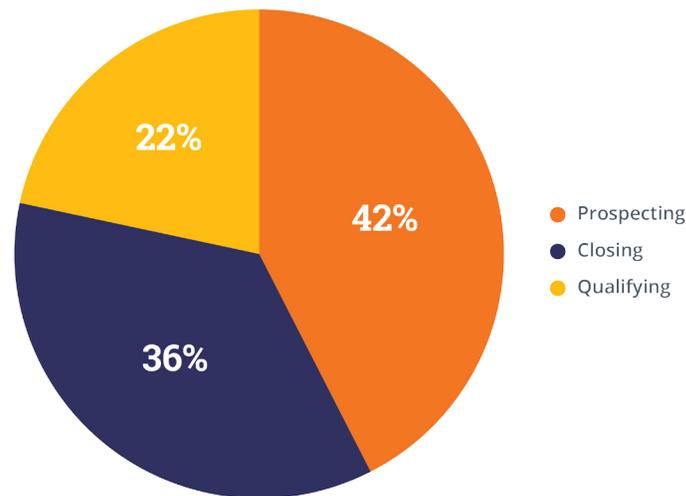
This makes sense anecdotally. First of all, perfect fit prospects aren't exactly in abundance, and can be harder to find in certain industries than others. Second, buyers' attention spans are all but maxed out by the number of priorities, tasks, deliverables, and projects they juggle at all times. In order for a salesperson to grab a prospect's attention with an email, call, or social media send, they must carefully customize and personalize their message -- and there's still no guarantee the buyer will read, much less respond.

Consider too that prospecting increases in difficulty the less information salespeople have readily available to them. A lack of lead behavior data means that sales reps must hunt for information on their own or forgo it entirely, boosting the odds that their message will be poorly received.

So the more information salespeople have about their prospects going into prospecting, the more effective their efforts will be. Unfortunately, just 31%

of respondents have access to social media data, and 21% their lead's website interaction history. Fewer than 43% have contact information -- in other words, the bare minimum they need to reach out.

How Much Information Does Your Company Have About a Lead Before a Sales Rep Reaches Out?

Salespeople are not being provided with adequate lead information
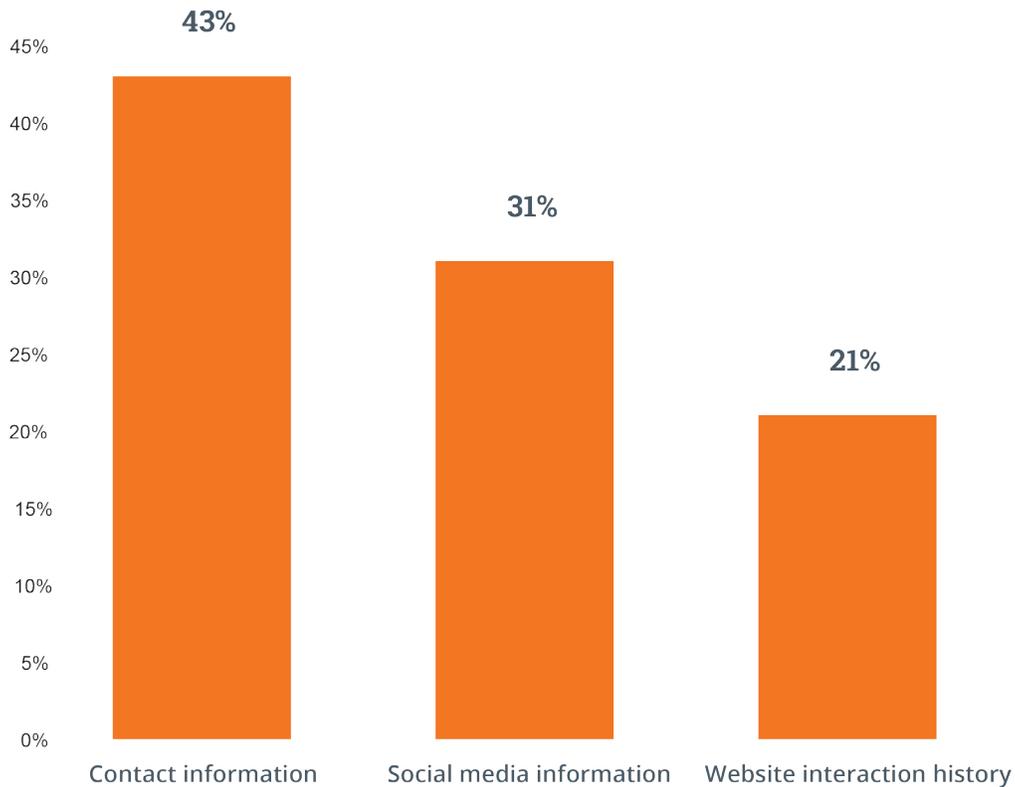
How does lead information correlate with sales success? When we viewed this question in terms of successful vs. unsuccessful teams, a split emerged. While a staggering 83% of respondents from failing teams said they either didn't know what information they had before contacting a lead, or that the question was not applicable to them, a mere 17% of successful teams gave the same answer.

To put this in perspective, "don't know/not applicable" was unsuccessful respondents' number one response, and successful respondents' lowest response.

Information Before Reaching Out to a Prospect by Team Success

Unsuccessful teams most likely to say they "don't know"

- ● Hiring sales teams
- ● Stagnant or firing sales teams

Contact information: 36% / 64%
Website interaction history: 38% / 62%
Social media information such as Twitter or LinkedIn: 36% / 64%
Don't know/ Not applicable: 17% / 83%
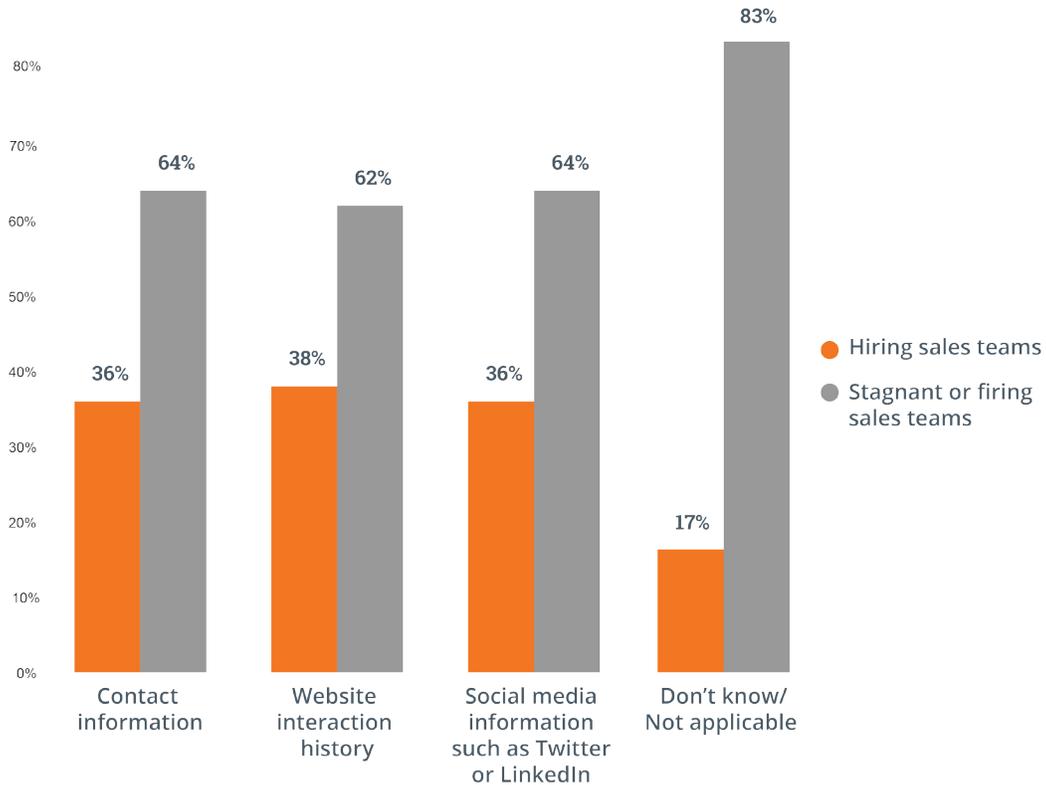
However, when Marketing and Sales collaborate, salespeople are privy to more lead information. Fifty-two percent of companies with no SLA between Marketing and Sales could provide something more than lead contact information to salespeople. This percentage jumped to 57% when an SLA was present.

Information Before Reaching Out to a Prospect by Existence of SLA

SLAs pave the way for more pre-call information

- ● SLA
- ● No SLA

Contact information: 85% / 78%
Website interaction history: 49% / 33%
Social media information such as Twitter or LinkedIn: 63% / 52%
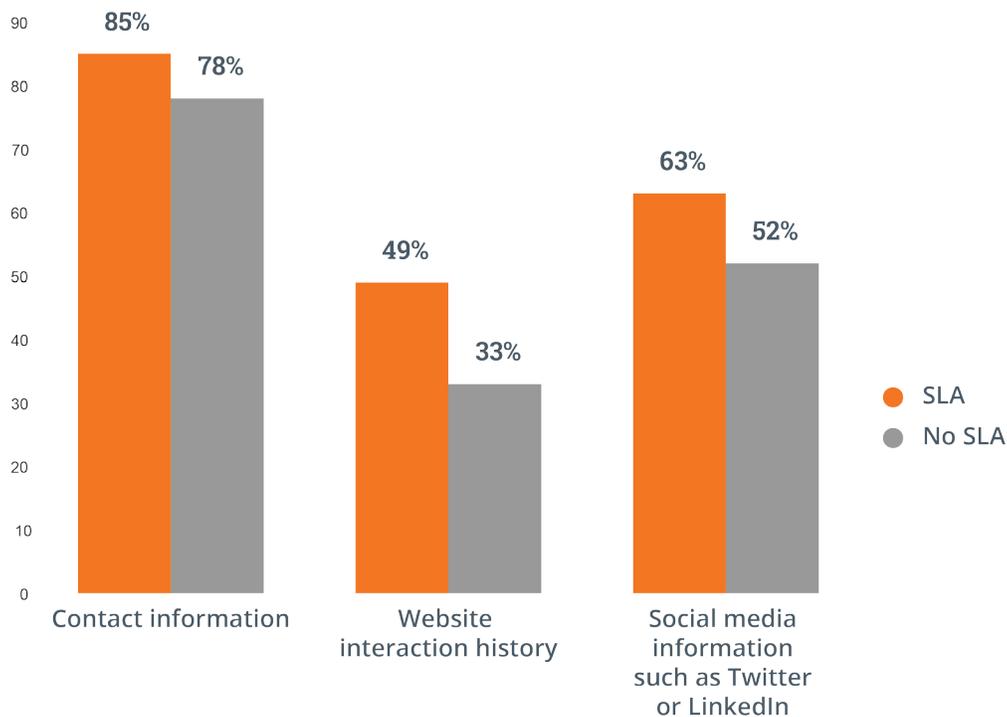
And there's more good news from the marketing side of the spectrum. Salespeople struggling with prospecting can expect some relief over the coming year -- "increasing the number of contacts/leads" is marketers' number one or two priority, depending on company size and B2B vs. B2C.

Onto the technology challenges. Manual data entry once again emerged as salespeople's #1 CRM challenge, although "lack of integration with other tools" trailed less than half a percentage point behind.

What Is Your Biggest CRM Challenge?

Manual data entry wears on salespeople

Manual data entry
23%

Lack of integration with other tools
22%

Difficult to track my sales funnel
13%

My sales team does not use it
11%

Invalid/incorrect data
6%

Managers don't use it
5%

0   2   4   6   8   10   12   14   16   18   20   22
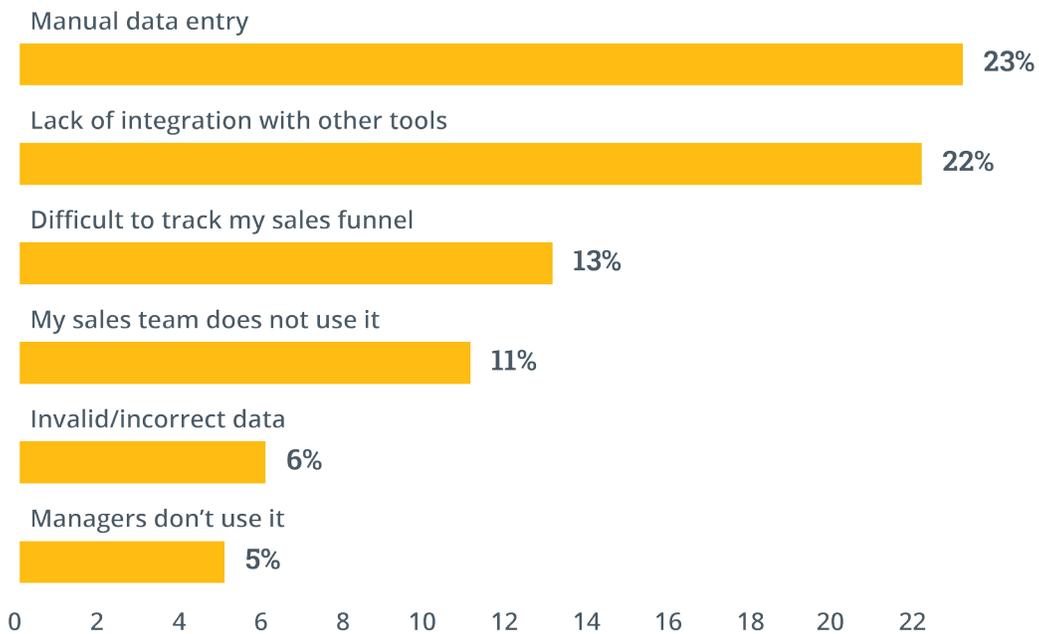
However, dig down and a different picture emerges. It turns out that the perceived worst CRM problem varies significantly depending on who you ask.

Biggest CRM Challenge by Company Level

Leaders, managers, and reps all cite a different #1 CRM challenge

Executive

Managers dont use it
57%

Difficult to track my sales funnel
45%

Lack of integration with other tools
43%

My sales team does not use it
42%

Manual data entry
40%

Invalid/incorrect data
33%

0   5   10   15   20   25   30   35   40   45   50   55

VP or Director

Manual data entry
32%

Lack of integration with other tools
24%

My sales team does not use it
16%

Difficult to track my sales funnel
12%

Managers dont use it
0%

Invalid/incorrect data
0%

0   5   10   15   20   25   30

Manager or Senior Manager

Lack of integration with other tools
23%

Manual data entry
21%

Difficult to track my sales funnel
19%

Invalid/incorrect data
11%

My sales team does not use it
8%

Managers dont use it
6%

0   2   4   6   8   10   12   14   16   18   20   22

Individual Contributor

Manual data entry
23%

Lack of integration with other tools
21%

My sales team does not use it
10%

Difficult to track my sales funnel
8%

Invalid/incorrect data
5%

Managers dont use it
3%

0   2   4   6   8   10   12   14   16   18   20   22

While executives identify manager non-adoption as the most pressing hurdle, managers themselves report lack of integration with other tools, with manual data entry close behind.

At the lowest level, the number one issue for salespeople was manual data entry. Considering that reps are primarily responsible for data entry, this is not surprising. However, manual data entry was also the most pressing challenge at the VP/director level, which might raise some eyebrows.

Keeping in mind the high ranking of manual data entry at three out of four levels within the sales organization, sales teams would be wise to either adopt a CRM with more streamlined and automatic data entry, or simplify the data input process in their existing system.

MANUAL DATA ENTRY IS
THE #1 ISSUE
SALESPEOPLE HAVE WITH THEIR CRM SYSTEMS.

Chapter 4
Sales Trends

Regardless of whether you work with an inside or outside sales team, you've likely seen at least one blog post, article, or social media snippet decrying the imminent demise of field sales. Proponents of inside sales models argue that inside sales is cheaper and more efficient for the company, and that customers don't want to be bothered at their offices, anyway. No matter how you slice it, it's preferable to conduct business virtually.

The buzz might make you think the trusty field sales rep will imminently go the way of the dinosaur. But data from this report indicates otherwise. Survey respondents' staffing plans for inside and outside sales positions emerged nearly identical.

Hiring Plans by Inside vs. Outside Sales

Field sales reps aren't going the way of the dinosaur quite yet

Inside sales team

5%   36%

Field sales team

5%   37%

-5   0   5   10   15   20   25   30   35

● Decreasing team size   ● Increasing team size
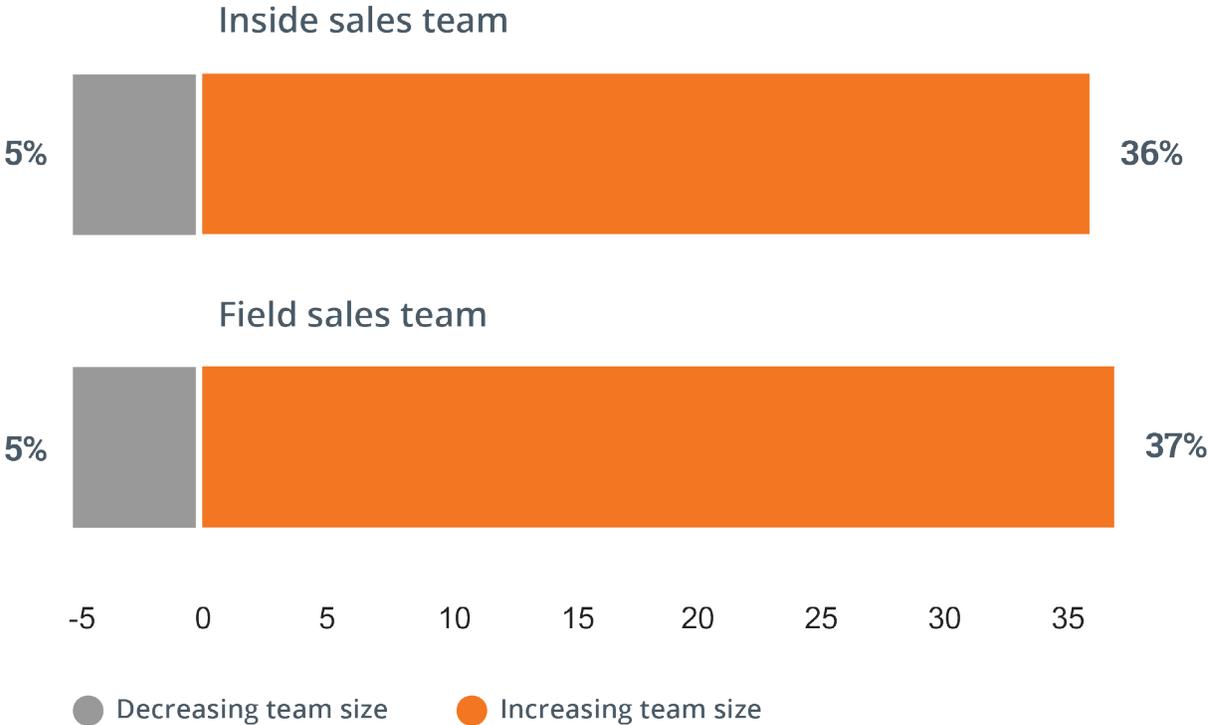
Far from the mass purging of outside positions from sales team, inside sales reps actually stand a better chance of being laid off than their counterparts in the field.

One sales myth debunked, one to go.

Popular culture often paints salespeople as employees who care about the size of their paycheck and little else. Think about Leonardo DiCaprio's depiction of Jordan Belfort in *The Wolf of Wall Street*. Belfort lies, cheats, and bamboozles hapless clients into buying from him simply so that he can throw money around -- sometimes literally.

So is this perception fact, or fiction? Our survey asked salespeople what they look for when deciding whether to pursue a position at a new company.

What Do You Consider When Looking for a Job at a New Company?

Sales job candidates are eager for growth opportunities

Category	Percentage
Opportunities for growth	27%
Work-life balance	15%
Compensation	14%
Culture	13%
Company performance	11%
Industry	8%
Quality of sales leadership team	6%
Colleagues /team	5%
Perks (tuition, child care, etc.)	1%
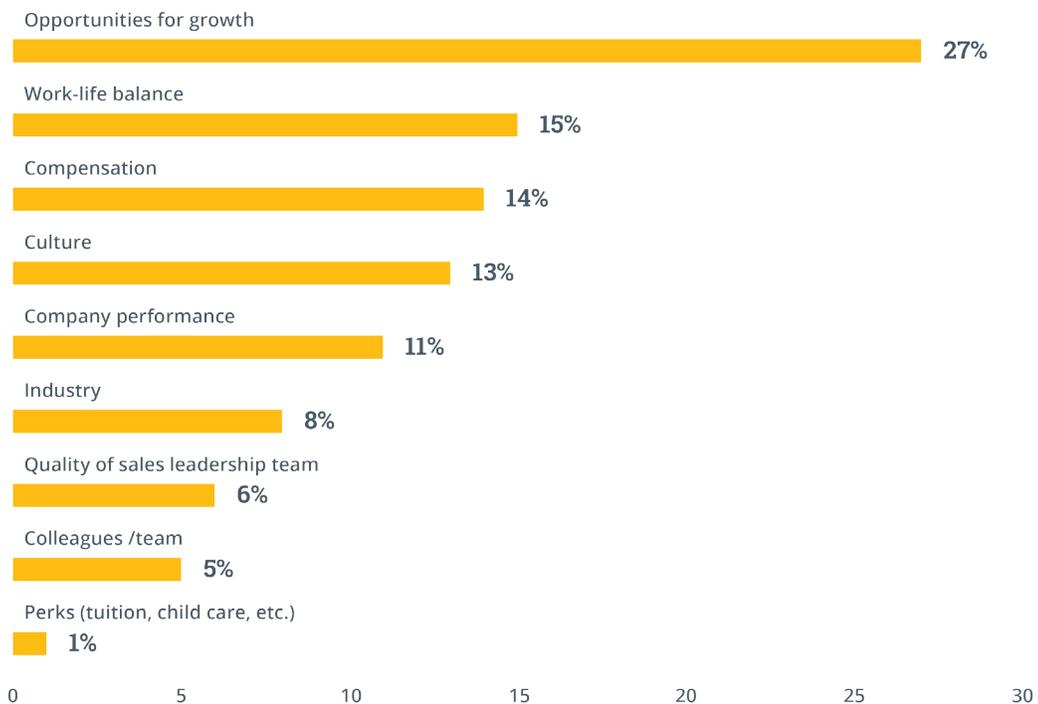
"Opportunities for growth" is the number one most important factor salespeople look for in new jobs -- by a wide margin. Compensation was the third highest response, closely clustered with work-life balance, and company culture.

This finding is not only interesting in terms of changing the popular perception of salespeople; it's also significant for sales leadership and management in terms of recruiting and organizational structure. Sales careers typically offer one traditional growth path -- sales rep to sales manager to sales director to sales VP. However, sales management is a very different job than a quota-carrying rep, and

not every rockstar is cut out to be a manager. In fact, promoting top-performing reps to management can actually hurt the team in the long run.

With this in mind, sales leaders need to create new growth opportunities for reps who might not be suited for management if they hope to recruit and retain solid sales talent. Here are some ideas:

- Mentor a new sales rep
- Break into an emerging locale
- Additional educational and/or training opportunities
- Scale up in terms of account size or monetary value
- Assume additional responsibility
- Cross-train in a different department

The specific opportunities will vary depending on your company's needs and culture, but this data proves the importance of offering salespeople more than one strictly linear career path.

The final trend we identified is disheartening to say the least. According to our survey, executives making business software purchase decisions are least likely to rely on a salesperson for information, instead preferring to seek out word-of-mouth and social media referrals, customer references, and analyst reports.

What Sources of Information Do You Rely on When Making Purchase Decisions for Business Software?

Salespeople's credibility is at an all-time low

Executive

Source	Percentage
Word-of-mouth, friends, social media referrals	60%
Customer references	49%
Analyst reports/recommendations	47%
Media articles	44%
Vendor-authored materials (ebooks, blog posts, whitepapers)	43%
Crowdsourced review (Quora, G2Crowd, TrustRadius)	22%
Salesperson	18%

0   5   10   15   20   25   30   35   40   45   50   55   60
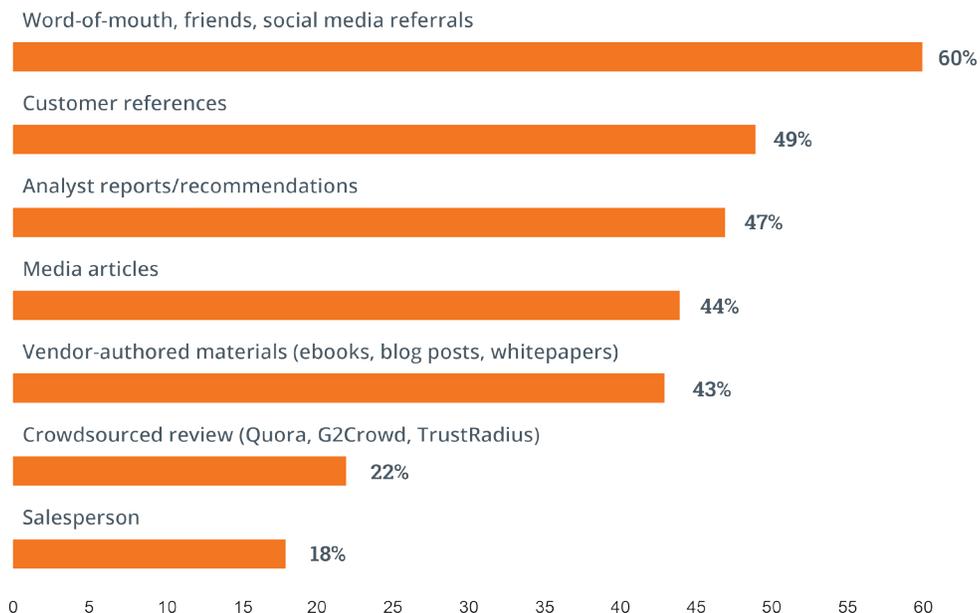
Bearing in mind that executives increasingly put their faith in reports and social media referrals, arming yourself with content and engaging with buyers on social channels could boost your credibility. In addition, because of the high importance executives place on customer references, double down on client service and post-sale customer care.

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