RESEARCH REPORT

# THE 2020 STATE OF DIGITAL SELLING

## Insights for Driving Sales Productivity & Resilience

November 2020

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Includes input from 11 vendors, brands and thought leaders

# CONTENTS

# EXECUTIVE SUMMARY

Even before digital transformation became a priority for businesses as a way to adapt to the growing impact of technology disruption, selling through digital enablement was a priority. Now, in the face of the COVID-19 pandemic, businesses have begun to accelerate this transition. In our research, we sought to understand the capabilities and key success factors that facilitate the digital transformation of selling for B2B businesses. We measured how key success factors resulted in both high-selling achievement — in the form of win rates, sales quota, and customer satisfaction goals — and overall digital selling maturity. We found most organizations are a third of the way through their maturity journey while high-performing sales organizations are about two-thirds of the way there.

# KEY FINDINGS

- **Now, more than ever, selling is a team sport.** Our research consistently showed the importance cross-functional teamwork plays in B2B digital selling success. Doing business digitally today benefits organizations as they seek to use technology to achieve scale, efficiency, and overall results, but it also lays bare organizational silos that disrupt customer experience and handoffs between marketing, sales, and customer success. To reach maturity, businesses will need to excel at cross-functional teamwork using a consistent view of the customer and prospect, adopt enablement tools that support that view, and excel at ongoing teamwork past the handoff of a lead to continually refine plans and process.
- **Sales teams need to make the digital mindset shift.** Our research found that sales teams with strong digital cultures tend to perform better against their sales objectives. Organizations whose employees trust the value of data and tools provided to them outperform others. A good example of this is the high performance of B2B sellers in the technology industry, which tends to have a more digitally forward culture than do other verticals.
- **High-touch, high-value cross-functional selling outperforms automated high-volume selling.** While remote or virtual selling is growing as an approach fueled by sales force automation (e.g., inside sales), it underperformed compared to other high-touch approaches, such as Account-Based Marketing and Account-Based Selling (ABM, ABS). These high-touch approaches are the most customer-centric model and also show that tools that support inside sales teams aren't reaching the same level of performance of an integrated, focused team.
- **Top performers focus on the customer through customer-focused metrics, cross-functional teaming, and selling by vertical industry.** Top sales organizations prioritized customer satisfaction above metrics such as sales quota achievement and recognize the link between customer satisfaction and quota. Recognizing and addressing the diversity of buying committees typical in B2B needs is a key success factor, as well as customizing sales approaches by industry vertical. Today's B2B buyers expect sellers to understand their industry to the point that they become a trusted partner in their own success.
- **As they build digital excellence, boundaries are likely to blur between sales and marketing teams.** Digital marketing automation is a mature practice, while sales automation is evolving. This impacts sales team skill requirements and partnering dynamics. Sales will need to make a key cultural shift to develop trust in sales automation and the data that fuels it. For example, as sales has better lead prospecting tools, the value of marketing's leads are sure to diminish. New roles, such as chief revenue officer and supporting operational teams, such as revenue operations, are emerging to keep marketing, sales, and customer success teams aligned.
- **Digitally mature sellers are outperforming less mature teams through the global COVID-19 pandemic.** The global COVID-19 pandemic has accelerated the adoption of digital selling, and we found top performers were using digital tools to outperform less digitally mature sales organizations. While the pandemic has added focus to digitally transform sales, it has also laid bare the challenges businesses face as they transition, such as finding cross-functional alignment to achieve seamless customer experience, made possible through leadership alignment — among many factors.

# WHAT IS DIGITAL SELLING?

To some, the phrase "digital selling" conjures a picture of a fully automated sales funnel. But selling digitally doesn't remove the human element at all: The practice enhances customer relationships, improves efficiency, and increases scale. "There is such a thing as over-indexing on 'digital selling', which we often refer to as 'virtual selling'," says Brian Walton, Director of Major Accounts, North America at LinkedIn. "Thinking we can lean on virtual and replace trust and relationship building is flawed logic. It's not a silver bullet for the fundamentals of buyer first selling. The human element remains pivotal, even in what we'll call 'digital selling.'"

Although the use of sales force automation tools continues to grow (especially as a way to conduct high-volume/low-cost selling), relationships and trust continue to play an important role in high-value, high-cost selling. We, therefore, don't see the digital transformation of selling as a replacement, but rather as means to make sales teams more productive and customers more satisfied — especially through seamless alignment of marketing, sales, and customer success teams. Strategic, high-cost B2B purchases require well-orchestrated, cross-functional teams that can demonstrate a deep understanding of their buyer's industry.

Our research included interviews with 11 thought leaders from key players, including Salesforce, Bigtincan, HubSpot, and LinkedIn, as well as a global survey of more than 500 sales professionals. Our survey focused on measuring the maturity of digital sales capabilities.

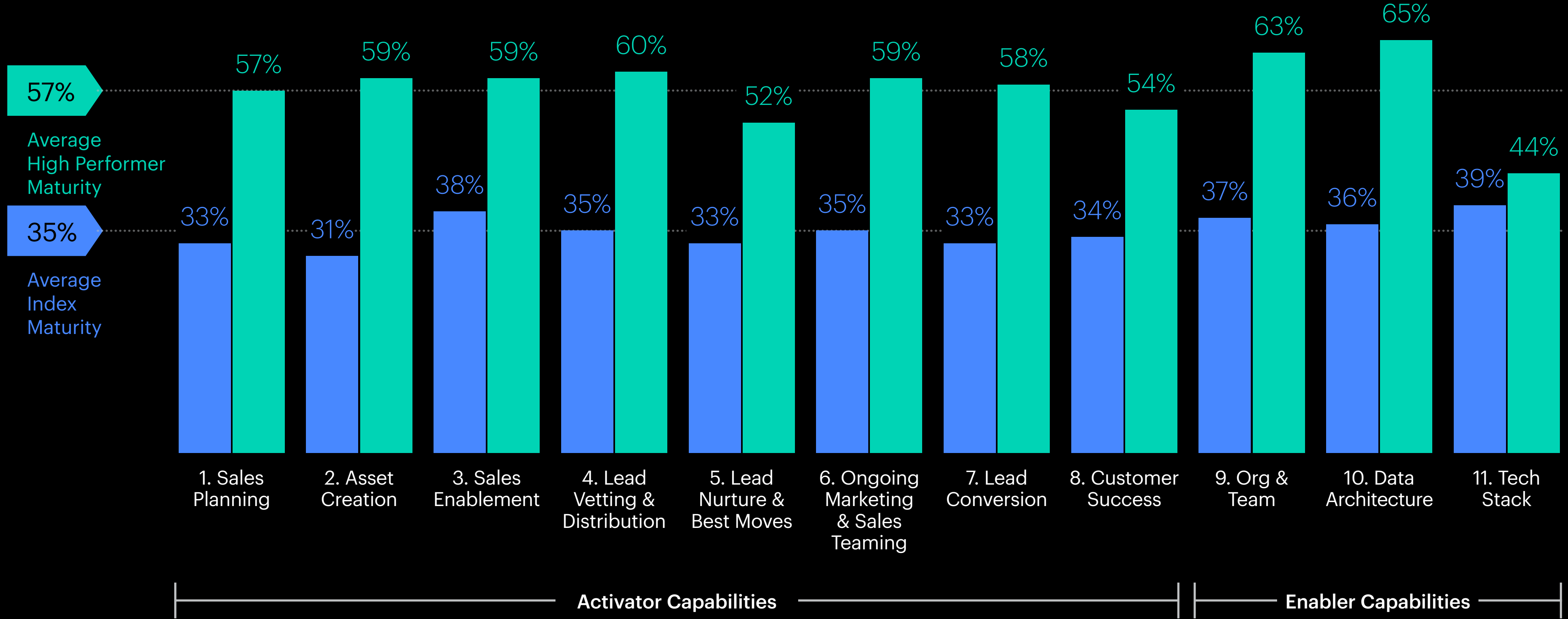
Throughout this report we'll reference top/high performers (green bar in our charts). These survey respondents reported the highest levels of sales achievement, as measured by (self-reported) win rates, quota attainment, forecast achievement, growth, customer satisfaction, and customer retention. We show correlations between high achievement and capability reported by the sales professionals who took our survey to gain insight into which capabilities are most associated with success.

# DIGITAL SELLING CAPABILITIES & MATURITY

While digital selling practices continue to evolve, there is a set of core capabilities essential to any sales organization. Our research focused on the maturity of these capabilities.

To understand their state, we surveyed B2B sellers in key industries, categorizing results by geography, role, and other attributes, such as selling success. Our global survey asked sellers, leaders, and sales support teams a series of questions to gauge their maturity in each of the capability areas below. On average, we found that most sellers were roughly a third of the way to full maturity, while top-performing sellers were much further along (57%, see Figure 1 below).

**FIG 1: Average Sales Capabilities of High Performers vs. the Index**



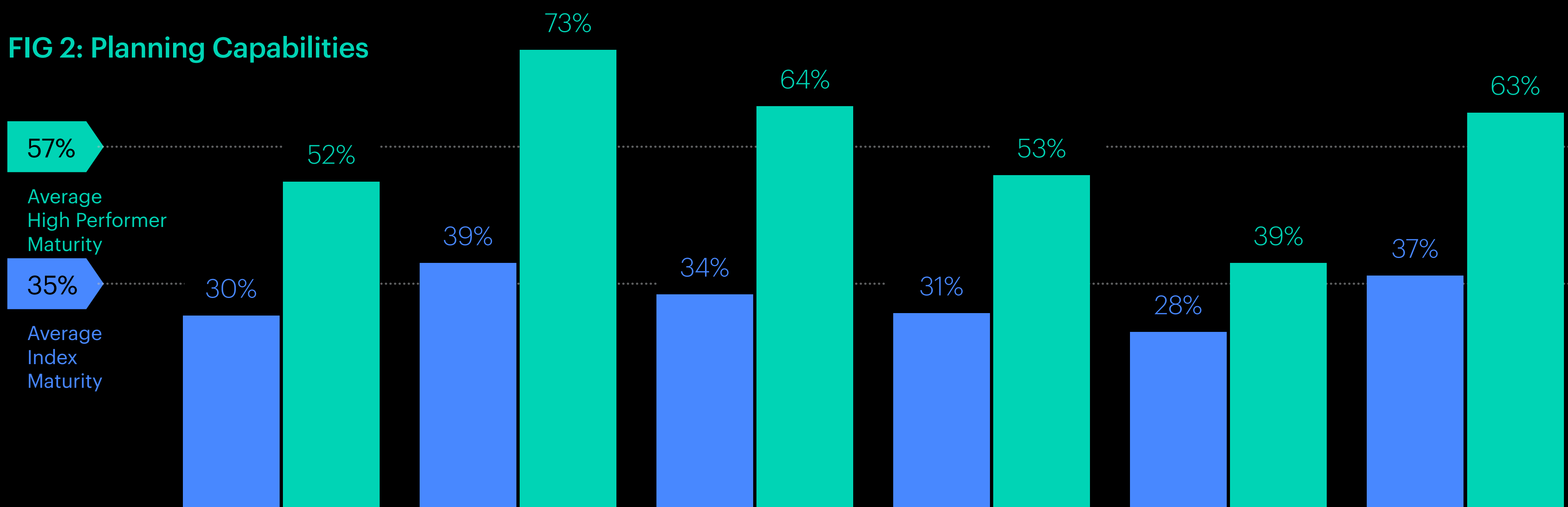

SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree"), 5-point scale: Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree

# CAPABILITIES

For each of the selling capabilities above, we asked a series of questions in our survey to understand the sub-capabilities that together make for overall capability maturity. To understand the relative importance of each by stage, we've charted comparisons of "Strongly Agree" answers for the index vs. top performers, where maturity is most readily visible.

## 1 SALES PLANNING

**FIG 2: Planning Capabilities**




**1.1 Prioritize/ Select Buyer Segments**
During sales planning, buyer segmentation strategies are data-driven and involve Marketing, Sales, Service as collaborators.

**1.2 Identify Customer Journey**
Our sales process is defined around the customer journey and informed by rich data analytics.

**1.3 Develop Territory Design**
We plan sales territory (e.g. by company size, industry, geography, etc.) through analytics and computer modeling to optimize results.

**1.4 Channel Partner & Sales Team Strategy**
Collaboration among both external channel partners and internal teams is well designed, seamless and deliver results.

**1.5 Sales Stages & Process Development**
Our sales process is agile, data-driven and flexible enough to meet the dynamic needs of buyers.

**1.6 Set KPIs, Incentives & Compensation**
Sales account planning is dynamic and takes into account Marketing, Sales and Service as collaborators.

SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree"), 5-point scale: Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree

The sales planning process starts with prioritizing and selecting buyer segments, whether segmentation is by buyer profile, region, or other factors. The decisions made here set the DNA for the overall sales funnel. We found sales planning capabilities on the low side of maturity, where on average only a third of respondents reported the highest level of achievement.

Selecting buyer segments (1.1 above) is dependent on close collaboration with marketing, which will often have the most complete segmentation data. Low maturity here points to the difficulty sales organizations have partnering with marketing. For example, only 31% strongly agree that "As a sales professional, the value I receive from Marketing is essential." As sales strengthens their own digital acuity — an area where marketing currently dominates — their relationship will evolve and boundaries will blur. For example, as sales team prospecting increases through digital sales automation, the value of marketing's lead-generating capabilities will decrease.

The insurance industry is one to watch, as it is likely to accelerate sales prospecting given its low ratings for marketing as an effective partner (13% vs. 31% index), and it is in the early stages of tool adoption (19% vs. 32% industry average). The fact that insurance is playing catchup is also reflected in its poor performance on key metrics such as exceeding sales quota (2% vs 15% industry), customer retention (2% vs. 18%), and year-over-year growth (5% vs. 19%).

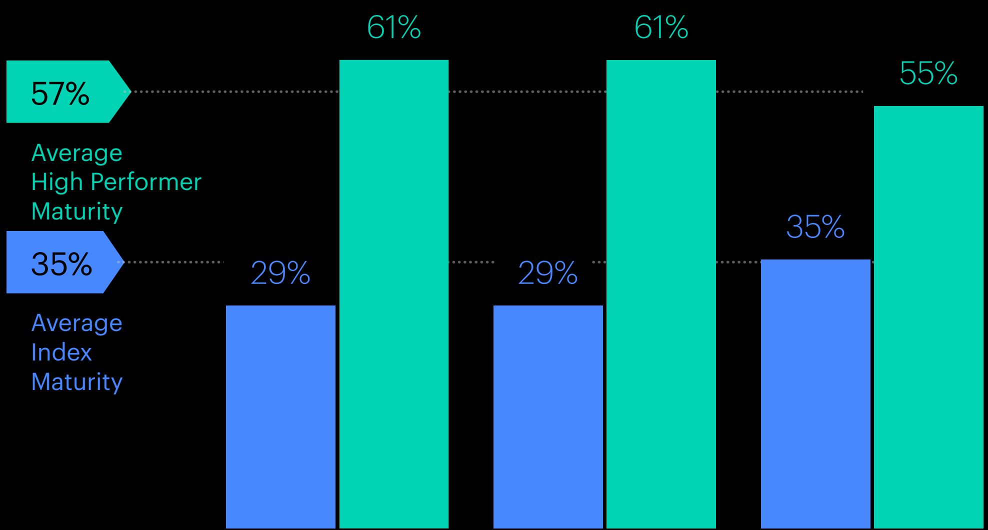
The largest disparity between high performers and the index (39% vs. 73%) was in leveraging a digital customer journey (1.2 Identify Customer Journey.) As we found in the technology and data sections, top performers more readily embrace a mature data culture, putting high trust in it to make decisions — including the foundation for customer journey work. For many, developing trust in data isn't easy. When asked if the sales team trusts data, John Moore, VP of Revenue Enablement of sales enablement platform Bigtincan, shared, "Initially, a lot of people don't trust AI recommendations; they resist. The more success you have in your career, the more you listen to your gut and the less you put trust in technology. Changing this is hard and is, in part, why change management is such a fundamental aspect of enablement."

Of the capabilities we measured in sales planning, both top performers and the index struggle with implementing a sales process that is agile, data-driven, and flexible enough to meet the dynamic needs of buyers (28% index vs. 39% top performers). The consumer products industry reported far less agility than other industries, such as tech (20% vs. 46%). Overall, consumer product companies reported the lowest sales planning maturity, under-indexing in every capability we measured. We found in our research that this industry is investing less in sales enablement but more in digital customer experience, such as e-commerce portals, a "customer-first" order to transformation.

But tech enablement isn't a silver bullet: Even top performers believe technology that delivers agility (e.g., SFA) is not meeting expectations. For example, whereas before salespeople may have relied on a simple spreadsheet to manage pipeline, they now rely on complex tools that require significant data input to show value, and there's a steep learning curve in this transition that impacts productivity in the short term.

# 2 ASSET CREATION

**FIG 3: Asset Creation**




**2.1 Identify Digital Selling Asset Requirements**

For each step in our sales plan, we successfully identify for each buyer role the resources and assets needed to succeed (e.g. ads, email lists, content, etc.)

**2.2 Develop Content Plan**

We develop effective and thorough content that move prospects to conversion.

**2.3 Sales Team Asset Development**

We develop digital selling assets for our sales team based on a deep understanding of the customer journey and we track their effectiveness to continuously improve.

SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree")

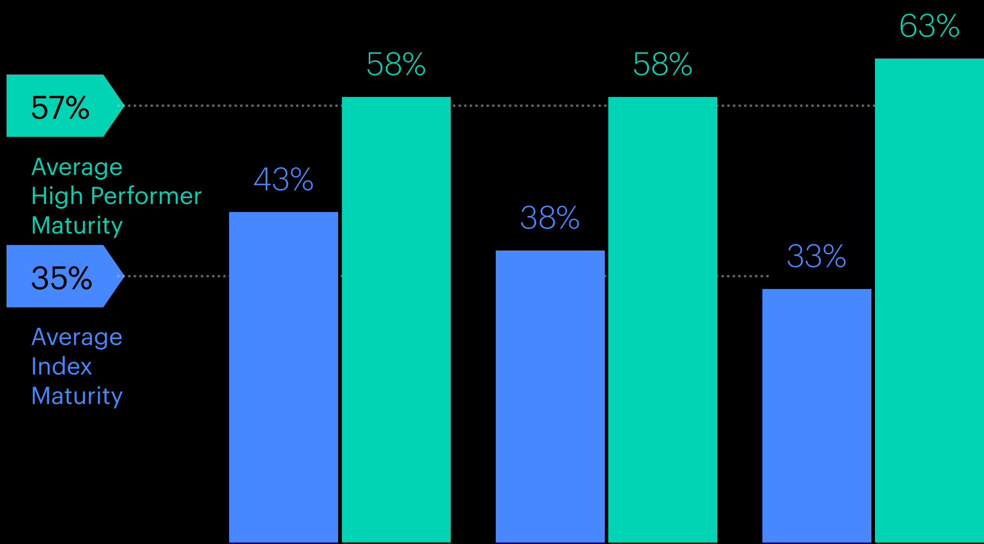
These capabilities measured the ability of sales teams to identify resources needed to sell by buyer role (e.g., ads, email lists, content); develop content that converts prospects; and develop these assets using the customer journey as a foundation. Only about a third of all respondents reported the highest levels of maturity, while top performers reported double that.

Given buyers connect with sellers later in the process than ever (they are typically 57% through the decision process before they want to speak to a salesperson, according to Gartner[1]), the availability of content as an asset that informs and influences them prior to contact is crucial, as it sets the stage for that first conversation.

Based on our survey, technology companies are better at using analytics to deliver content to buyers. For each step in their sales plan, they successfully identify for each buyer role the resources and assets needed to succeed (e.g., ads, email lists, content, etc.) (38% tech vs. 29% industry average), develop digital selling assets for the sales team based on a deep understanding of the customer journey, and track their effectiveness to continuously improve (48% vs. 35%).

# 3 SALES ENABLEMENT

**FIG 4: Sales Enablement**




| **3.1 Align Operations Teams** | **3.2 Playbooks & Training** | **3.3 Tool Adoption Support** |
|---|---|---|
| Operations/ enablement teams supporting Marketing, Sales and Service are either well aligned or unified into one team. | We study top performers to improve sales enablement (e.g., playbooks, training, tools...) and educate under-performers. | Our sellers embrace the adoption of sales enablement tools, are certified as part of training, and managers are held accountable for tool adoption. |

SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree")

Sales are enabled not just by tools and tech, but through leadership alignment across all functions that touch the customer. The sales enablement capabilities we measured include the alignment of operations/ enablement teams across functions; the use of coaching, playbooks, and training to increase skills; and the degree to which sellers both adopt enablement tools and are held accountable by their managers to use them.

Both performance groups have reached a comfortable level of maturity in their ability to align operational teams that support sales, marketing, and customer success (see 3.1, left), but tool adoption rates show a stark difference between the index and high performers: Only 33% of our sample report the highest levels of enablement tool adoption, while top sellers have reached 63%. This one metric alone demonstrates the importance of tool adoption on performance, including holding sales teams accountable through tool use incentives.

One emerging solution to alignment we've seen is the emergence of the chief revenue officer and revenue operations teams, which unify sales and marketing operations and leadership under one structure. Another complementary solution is ABM/ABS, which orchestrate sales and marketing plans around key accounts. This was confirmed by Lou Orfanos, General Manager & VP of Product at HubSpot, who told us, "Organizational structure is one of the biggest barriers to digital selling. Interdisciplinary teams are siloed by leaders. Operations can play a bridging role among teams, and account-based marketing can also force alignment."

# 4 LEAD VETTING & DISTRIBUTION

### FIG 5: Lead Vetting & Distribution


SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree")

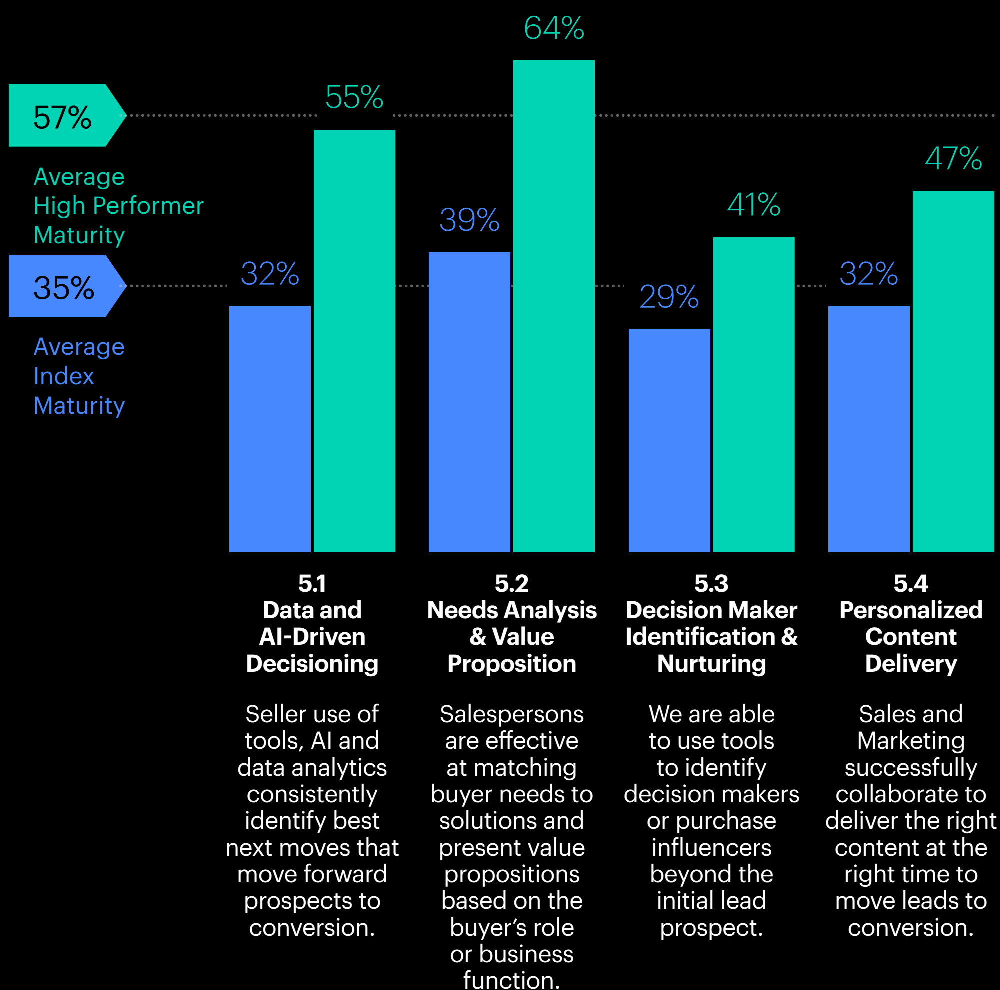
Qualifying leads and assigning them to the right teams or team member is critical, particularly for high-volume, low-cost products where responding to a lead in a timely manner is essential. For this capability, we measured the ability of sales and marketing to collaborate on the definition of qualified leads through continual refinement and their ability to assign leads to the most appropriate team (or team member) based on analytics and best-fit analysis. The handoff of leads represents a bridge between the two teams, important enough to define carefully together and regularly refine over time.

The tech industry showed particularly high maturity in partnering with marketing to refine the definition of SQLs, with 54% reporting the highest maturity compared to the 37% index. This is likely due in part to their attention on developing technology roadmaps (plans that map out integration points between tools), as well as their high rate of relying on a unified view of leads throughout the funnel with marketing and customer success teams.

Several of the vendors and thought leaders we interviewed reinforced the need — especially for inside sales — to respond to leads within hours, a feat made possible through sales automation tools. Max Bondarenko, CMO at guided selling tool Revenue Grid, told us how lead distribution tools need to consider key variables in real time, such as the lead's industry and company size before assignment.

# 5 LEAD NURTURE & BEST NEXT MOVES

**FIG 6: Lead Nurture & Best Next Moves**




SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree")

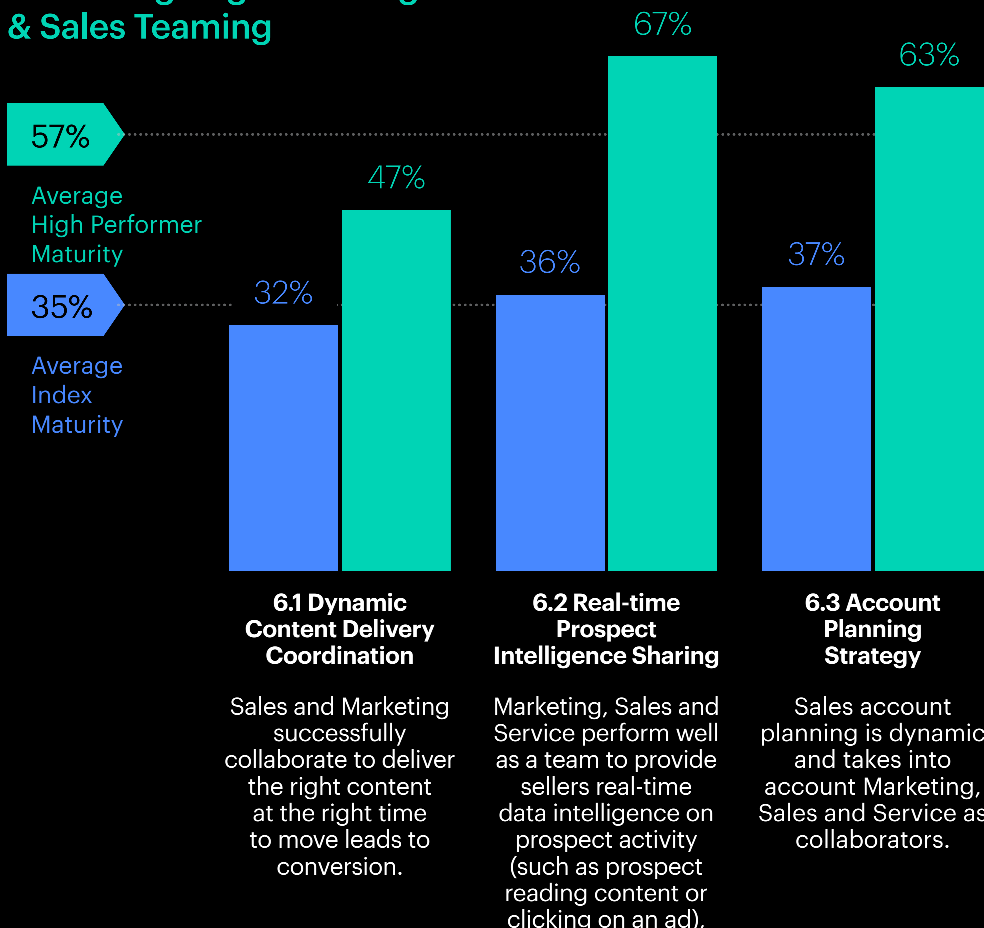
Having assigned a lead to the best team member, the hard work of nurturing them to conversion begins. This capability is composed of the four areas we measured, including the ability to use tools and AI for next-move decisioning; the ability of sales to match solutions for buyers by defining effective value propositions; the use of tools to identify and nurture the broad array of decision makers typical of buying committees in B2B; and delivering personalized content that supports conversion.

Areas of weakness here include using tools to identify decision makers or purchase influencers beyond the initial lead prospect and then delivering personalized content that matches their role. Bernie Borges, co-founder and Chief Customer Officer at digital selling training company Vengreso, recommends personalizing content by role at a detailed level, even advising salespersons to record and send personalized video introductions for an individual lead.

From an industry standpoint, consumer products stood out for poor lead nurturing capability. Only 11% (vs. 39% industry average) reported high maturity in the development of value propositions, for example. This is likely due to a general trend we saw in their reluctance to trust data in decision-making. For example, when asked, "When it comes to data I trust, I prefer Account Sales Intelligence vs. Digital Marketing data," only 14% strongly agreed vs. the 31% industry average.

# 6 ONGOING MARKETING & SALES TEAMING

**FIG 7: Ongoing Marketing & Sales Teaming**




SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree")

While sellers nurture leads to conversion, ongoing teamwork is essential to ensure leads are getting consistent messages from both marketing and sales — and service if an existing customer. The teaming capabilities we measured include cross-functional content delivery; real-time prospect intelligence that steer both content delivery and best next moves (e.g., a prospect downloading a white paper); and an ongoing, cross-functional account planning strategy that is dynamic and based on prospect behavioral insights.

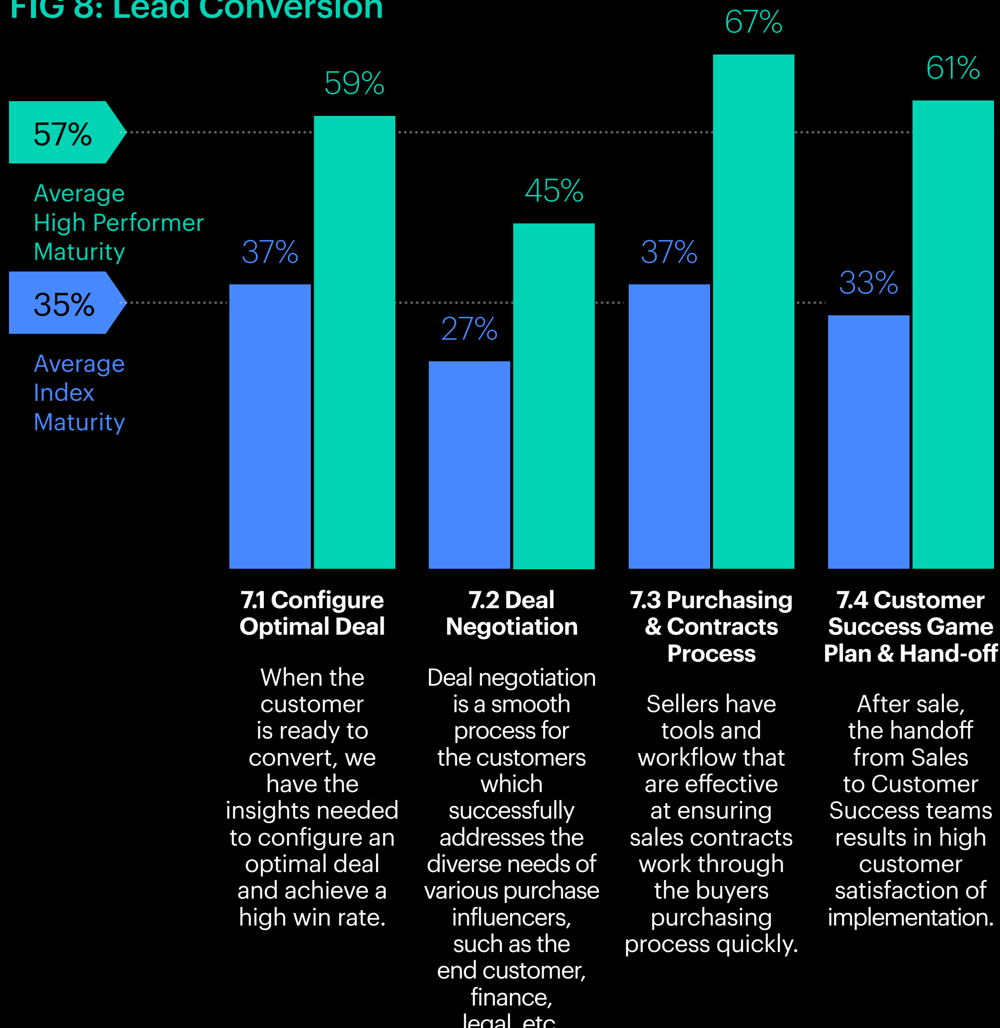
Lynne Zaledonis, SVP of Marketing at Salesforce, put the importance of integrated teamwork among service and sales this way: "A single source of truth is key. With a Customer 360 view, you can deliver a smart, personalized customer experience across every touchpoint and throughout the customer journey from sales, marketing, and servicing your customer."

A good example of the importance of real-time customer intelligence was shared in Salesforce's The Future of Sales Report: "As businesses transition to usage models (e.g., AWS charges by the second), sellers will be compensated differently. Therefore, closing the deal will mean less to the seller, but instead use of the product/service will matter." And service teams are evolving to meet this challenge by making their reps a visible part of the customer's ongoing experience. Vengreso's Bernie Borges shared how his company is now working with customer service representatives to build out their LinkedIn profiles to connect with customers, creating trusted relationships, much as sales has been doing for years.

Both the index and top performers struggle with dynamic content delivery, explored further in the Technology & Data section below.

# 7 LEAD CONVERSION

**FIG 8: Lead Conversion**




SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree")

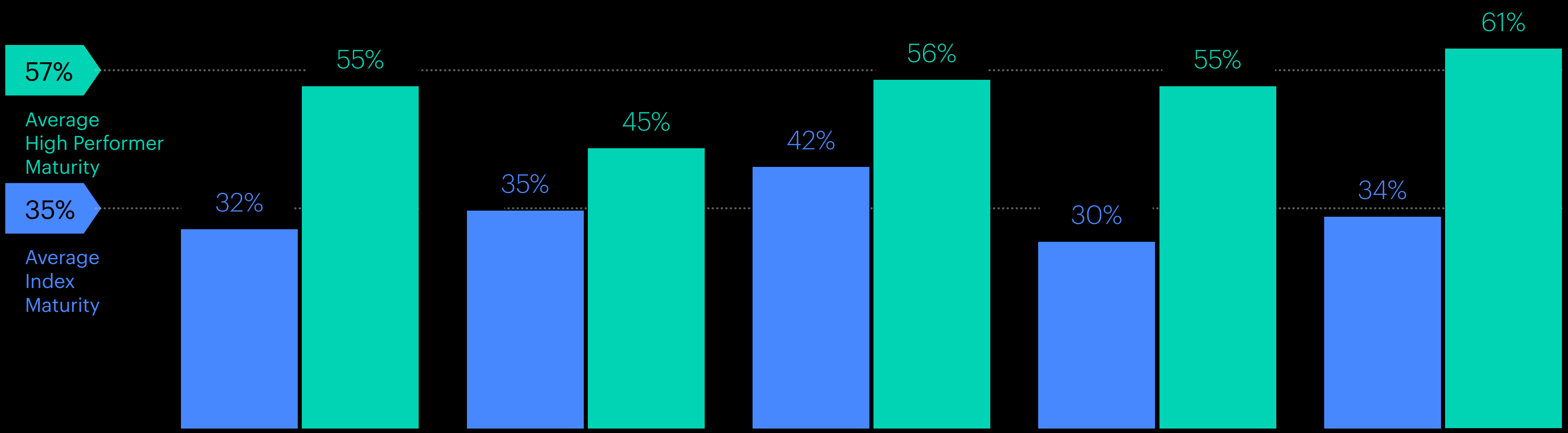
When a prospect is ready to convert to a customer, key capabilities include insights-led deal configuration; deal negotiation that considers the diverse needs of buying committees; working through the customer's purchasing/contracts process; and, perhaps most important, ensuring a smooth handoff from sales to customer success teams.

An area of weakness for all was deal negotiation, which requires a great value proposition that will resonate across buying committee members. Martin Schneider, Head of Corporate Strategy at SugarCRM, believes the importance of buying committee engagement to develop effective value propositions and proposals is increasing during COVID. "Understanding buying committees and their focus on the value proposition by role combines with decision safety: [where committee members feel] 'I'm not singularly involved if things go wrong.'"

Deal negotiation shines a light on why the human element remains important and where digital provides little value — other than having an expansive view of the B2B buying committee to configure deals that meet a wide variety of needs.

# 8 CUSTOMER SUCCESS

**FIG 9: Customer Success**




**8.1 Continuous Shared Customer Intelligence**

Customer intelligence post-sale are shared with Marketing, Sales, Service, and Partners to uncover new opportunities to re-sell.

**8.2 Seamless CX Teaming**

Post-sale, customers experience seamless interactions with Sales and Service, and receive targeted Marketing offers that are based on the customer's actual product usage.

**8.3 Deliver Multi-channel Customer Success**

Buyers can choose digital sales and service tools that best meet their preferences (e.g., self-service, chat, mobile, app, website, email, etc.).

**8.4 Anticipate & Stimulate Customer Advocacy**

We are consistently able to find customers willing to refer us to other buyers and to advocate for our products.

**8.5 Optimize Sales & Customer Success Incentives**

Sales is informed of product usage post-sale, rewarded for customer satisfaction, and plays an ongoing active role to improve repeat business.

SOURCE: n = 506 (index, "strongly agree"), n = 51 (High Performers "strongly agree")

Finally, sales must remain a partner post-sale to ensure high customer satisfaction that sets the stage for reselling, referrals, and advocacy. Sales' role in ongoing customer success requires continuous shared intelligence; post-sale, seamless teaming to understand product usage and target up-sell; providing buyers multiple channels for interaction that meet their preferences (e.g., self-service apps, chat, email, etc.); ensuring high customer satisfaction that drives advocacy/referrals; and ensuring sales teams have the incentives (and information) to track and guarantee high customer satisfaction.

We found the greatest maturity disparity in setting incentives, measured by our question "Sales is informed of product usage post-sale, rewarded for customer satisfaction, and plays an ongoing active role to improve repeat business." Mature sellers excelled here (61% exceed), while only 34% among the index. This is due to the lack of fully integrated marketing, sales, and especially customer service systems to track customer product usage. The Organization section below explores the importance of the service team's integration into the sales process.

The maturity gap between the two groups narrows when it comes to seamless CX teamwork (8.2, above), where 35% of the index and 45% of top performers reported that post-sale, customers experience seamless interactions with sales and service and receive targeted marketing offers that are based on the customer's actual product usage. Even so, seamless teaming is a struggle across functions, hindered by disparate tech stacks, but enabled by a 360-degree view of the customer.

We'll now dive into the capabilities above through the lens of technology, people, and customer experience.

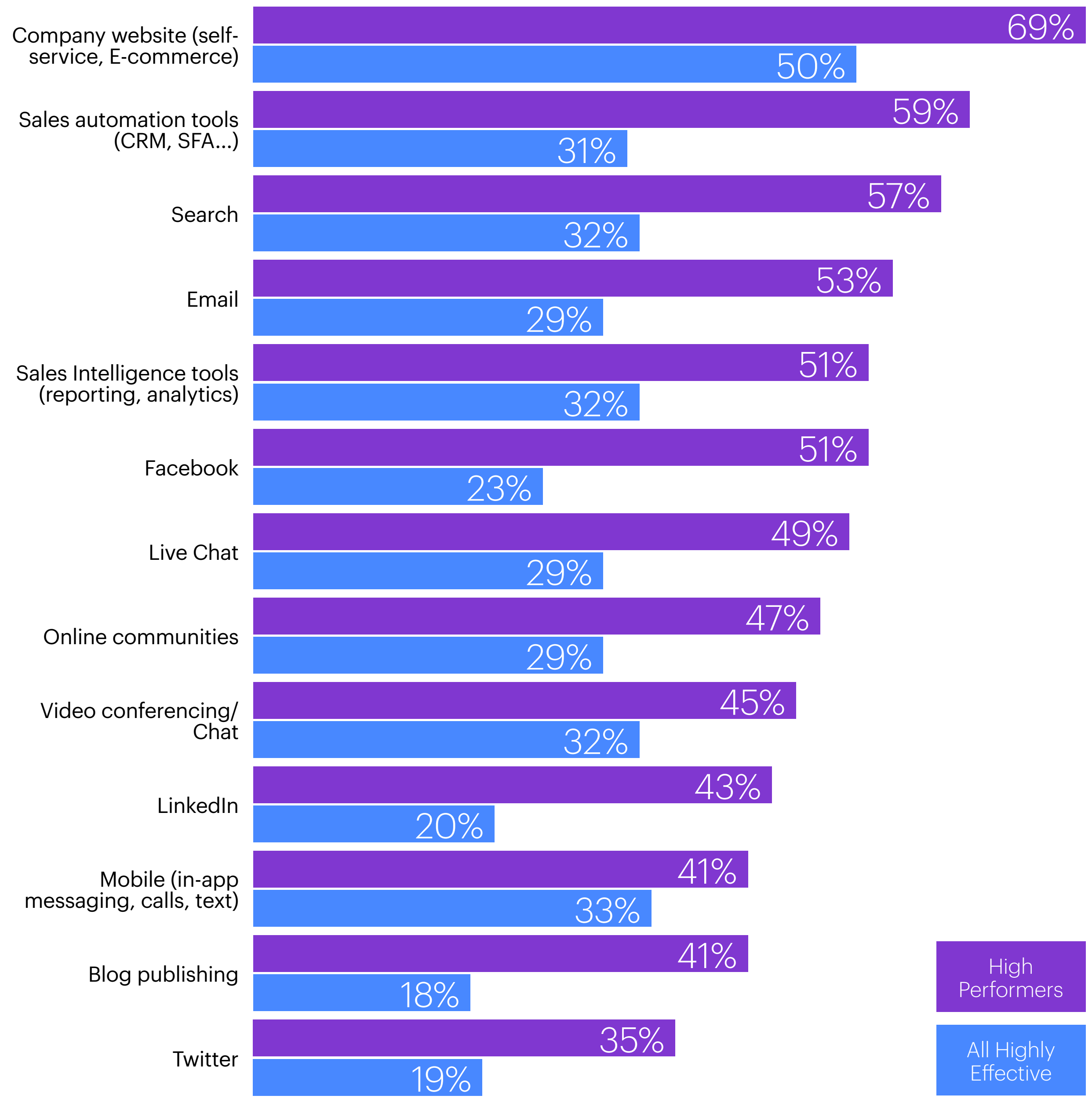
# TECHNOLOGY & DATA

There are two sides to the digital selling coin: sales enablement and digital customer experience, each supported by data. Each play a role in digital selling success. Sales enablement must be designed within the context of both marketing and service automation since all three functions touch the customer. Seamless customer experience requires technology and data integration. Many of the vendors and thought leaders we interviewed spoke about the importance of data to unify what is for many a disparate set of tools, including SugarCRM's Martin Schneider: "Data quality is everything. Your data is probably worse than you think it is. You have to promote a culture of data quality, because new tech like AI works best with solid data infrastructure. Your data alone isn't sufficient; you need outside sources, normalized and integrated with your own data." We found in our research several key insights around data and the tech stack:

## Gap between index and top performers in digital sales technology effectiveness signal digital's strengths.

We asked survey respondents to rate the effectiveness of the following digital sales technologies, a mix of enablement technology (CRM, SFA) and customer-facing technology:

### FIG 10: Digital Sales Technology Effectiveness




SOURCE: n = 506 (index), n = 51 (High Performers), "Highly Effective"

Overall, top performers are much more likely to report all digital tools are highly effective. Only websites came close to full maturity for effectiveness among all respondents at 50% (see Figure 10, above), but all other tools fell below the 50% threshold.

The biggest differences between high performers and all others: The former found Facebook, sales automation tools, and search more effective than other platforms. Facebook's ranking is the result of B2B2C sales teams' focus on social advertising, content marketing, and cross-targeting to reach buyers.

Consumer products companies found social media tools, like Twitter, LinkedIn, Facebook, and email, much less effective than other industries and instead focus their efforts on sales automation tools, where they over-index in use (48% vs. 31% industry average). Consumer products is behind overall as an industry in most digital selling areas, but they are taking a unique approach: They're starting digital selling transformation from a core enablement foundation (CRM, SFA) and working outward over time toward digitally native, customer-facing platforms like LinkedIn. They're starting from owned, enablement platforms before addressing third-party tools.

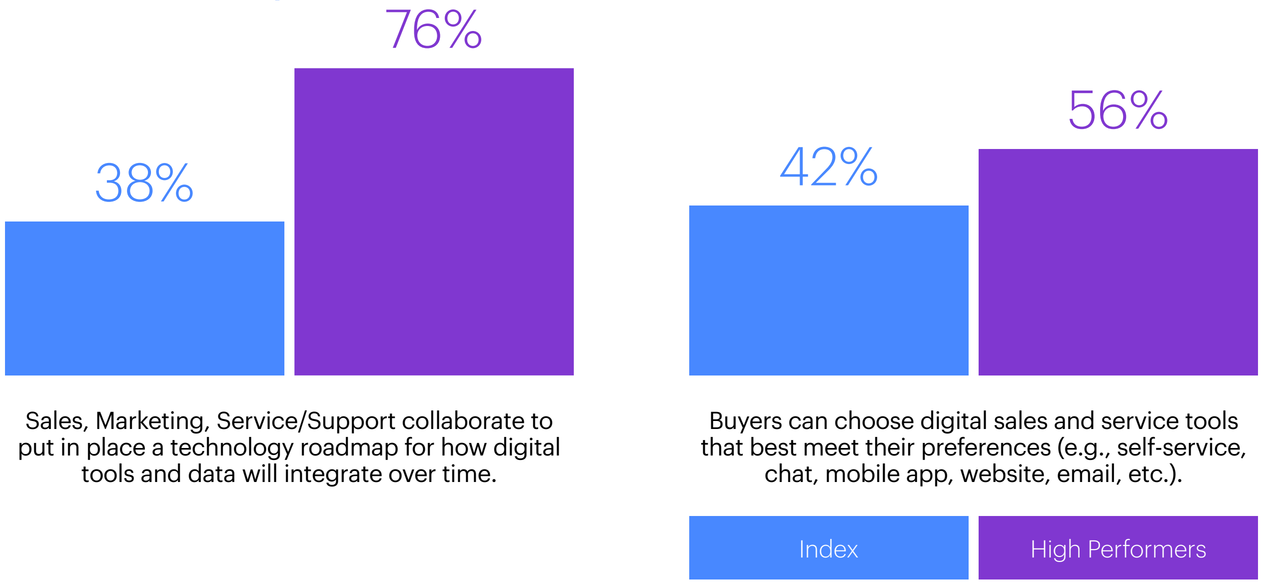
The effectiveness of sales automation tools among the sample (31%) has room to grow, and it's telling that high performers were much more positive about enablement technology (59%). Overall, high performers were more trusting of these tools and the data that fuel them. Ongoing training and connecting incentives to tool use are factors: Top performers rate their digital skills at 63% highly effective vs. 36% for all sellers.

In the face of COVID-19, many businesses struggle with this mix of technology and skill requirements, especially field sales, which came up in my conversation with Brian Walton at LinkedIn: "The learning curve is steep for digital, including field sales. We tell our customers that LinkedIn is one channel, part of a broader digital selling mix. It's not like you can just get your sales team on digital selling and succeed," reinforcing the need for starting with a core enablement platform, such as sales force automation.

## Top performers focus on creating strategic, shared, cross-functional tech roadmaps that unify customer experience.

Top performers focus on long-term technology and data architecture roadmaps cross-functionally to achieve their objectives. This same group is closer to giving buyers tools that meet their needs (56%, see chart right), while the average sales organization is less than halfway toward achieving this goal (42%). These and other data indicate that sales organizations feel far from satisfied with both sales enablement and digital customer experience technology in the early phases of adoption. In fact, top performers named technology as their biggest digital selling challenge (43%) while average performers were focused on customer experience (29%, see chart right).

### FIG 11: Tech Stack Addresses Customer Experience through Cross-Functional Alignment on Tech Roadmap




SOURCE: n = 506 (index), n = 51 (High Performers), "Strongly Agree"

Looking at this by industry, we found data and tool silos prevalent in healthcare, which underperforms in the use of enablement tech cross-functionally and is less likely to integrate sales and marketing automation tools (22% vs. 31%) and develop cross-functional technology roadmaps (18% vs. 38%) that ensure a common view of the customer across sales, marketing, and service.

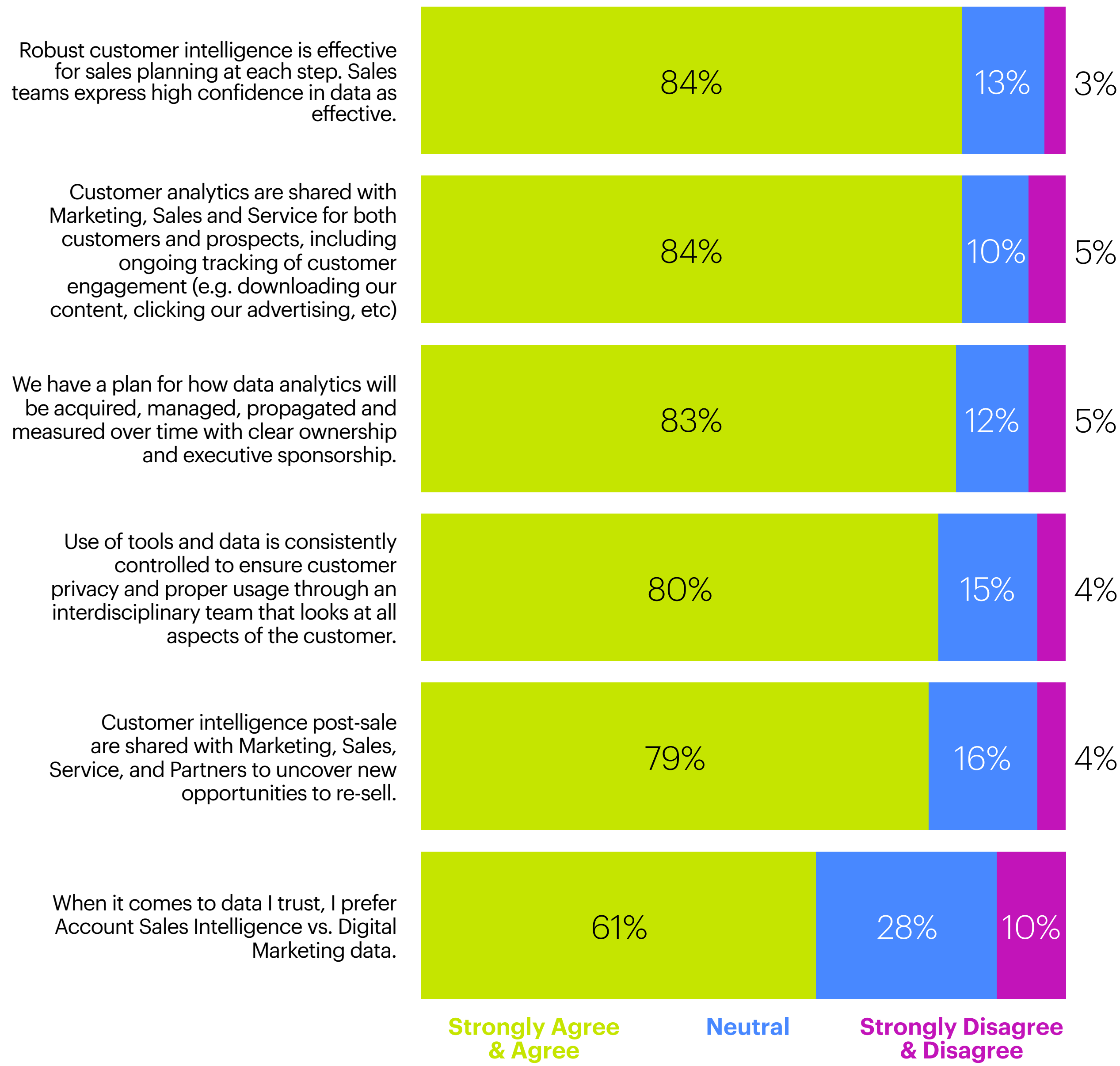
Showing additional cross-functional weakness, healthcare underperforms in data architecture planning with peer groups that touch the customer (18% vs. 38%), yet the industry expresses high confidence in the data it has (50% vs. 36%) in its own silo. This lack of alignment in healthcare surfaced in other areas. The industry is less likely to say that leaders in marketing, sales, and service align on sales plans and remain active collaborators throughout the customer lifecycle (22% vs. 34% industry average), regularly assess cross-functional teamwork to meet sales plans (26% vs. 43%), and provide real-time data intelligence on prospect activity (25% vs. 36%).

## Sales teams show high trust in customer analytics, but a majority trust their own data over marketing's.

Sales teams value and trust customer analytics shared cross-functionally for a unified view of the customer but prefer their own data over marketing's.

### FIG 12: Customer Intelligence Effective, but Sales' Analytics Preferred over Marketing's

Having the right information at the right time is essential to digital selling. Please tell us the degree to which you agree with these statements in your situation.




SOURCE: n = 506

Among top performers, planning data architecture with executive sponsorship was most mature and a significant differentiator against the index (79% vs 38%). Customer analytics throughout the buyer journey is shared widely across functions (63% vs. 36%), keeping a consistent view of the customer no matter the team role. High performers connect the dots between marketing, sales, and service. Post-sale customer analytics are used by top performers to target reselling (55% vs. 32%), another sign of the effectiveness of connecting teams through a consistent view of the customer.

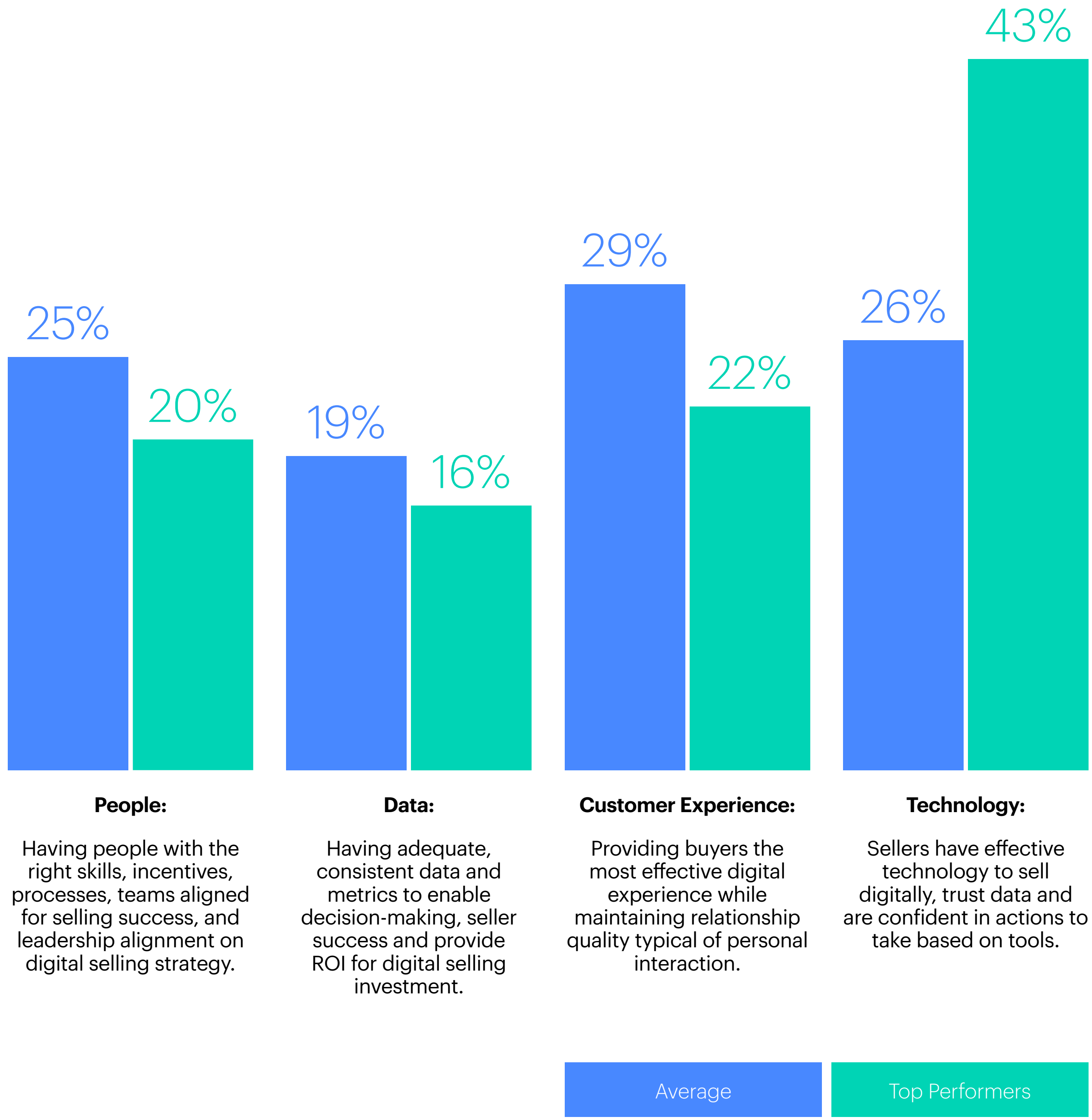
Technology companies over-index in all measures of data maturity, particularly for planning how data analytics will be managed with clear executive sponsorship (54% vs. 38%); tracking customer engagement cross-functionally, such as downloading content or making a service call (49% vs. 36%); and sharing post-sale customer intelligence to resell (41% vs. 32%). Top performers keep their eye on customer success by relying on accurate, real-time customer insights from across the organization.

The use of data to support agile buying cycles was found to be a key differentiator among industries. For example, only 20% of consumer products agreed strongly that “Our sales process is agile, data-driven, and flexible enough to meet the dynamic needs of buyers” vs. 46% among technology companies (and a 28% industry average).

## Technology and data challenges are the top obstacles to maturity.

To get to the core of maturity, we asked which of the following key factors were challenges: people (including skills, organization); data (for decision-making and digital selling ROI); customer experience (giving buyers digital experiences to interact with sales); and technology (with a focus on sales enablement tech).

**FIG 13: Digital Selling Challenges**
What is your top digital selling challenge?




SOURCE: n = 506

Even successful digital sellers name technology as their most significant challenge (43%). Enablement tools used by top sellers with very high adoption rates and trust (like the tech industry) nevertheless feel that technology remains a challenge. They're pushing the envelope, finding the edge, and not happy with what they see — while many industries in the early phases aren't experienced enough to know yet of technology's shortcomings. This tells us that early adopters of digital selling tools haven't yet pushed forward enough to discover their weaknesses, indicating low maturity among the majority of organizations.

Europe was the only region to report "people" as its most significant challenge (35% vs. 25%) while under-indexing in "technology" challenges (14% vs. 26%). There are signs Europe has people challenges in other survey data. For example, Europeans were also least effective of any other region in post-sale handoff from sales to customer success teams (24% vs. 33%). Because the handoff of a customer from sales to customer success is essentially one focused on people and the trust the customer puts in new customer success faces, we see this as reinforcing the "people" challenge. While the tools are there, the skills and alignment between teams isn't sufficient to make these handoffs successful.

On the other hand, China reported the most success during this key handoff (45% vs. 33%) and continues showing strength in providing seamless cross-functional experience post sale (45% vs. 35%). As opposed to Europe, only 17% (vs. an average of 28% among other regions) of Chinese survey respondants named "people" as their most significant challenge. Our survey sample from China is heavily weighted toward SMB companies, which are much more likely to have minimal silos between teams than are enterprise companies.

The tech industry reported "customer experience" less of a challenge (18% vs. 29%), while banking/finance reported the highest (39%) — which is in line with this industry having the poorest customer service achievement (9% vs. 23% of the index). Banking/finance are addressing customer experience by over-indexing in mobile development (46% vs. 33% industry average) and prioritizing the provision of customer-facing technology that meet buyer needs (50% vs. 27%). So far, these efforts haven't resulted in the customer satisfaction goals they seek.

Considering the close relationship between data and technology, overall, the technology challenge is most significant: 45% when combined. Given the early stages of digital sales enablement and teams with the skills ready to use them, this signals that digital selling enablement tools have a way to go before it's as effective as digital marketing's.

# CUSTOMER EXPERIENCE

Throughout our research, a focus on customer experience — measured by customer retention and satisfaction — was a leading indicator of overall sales performance.

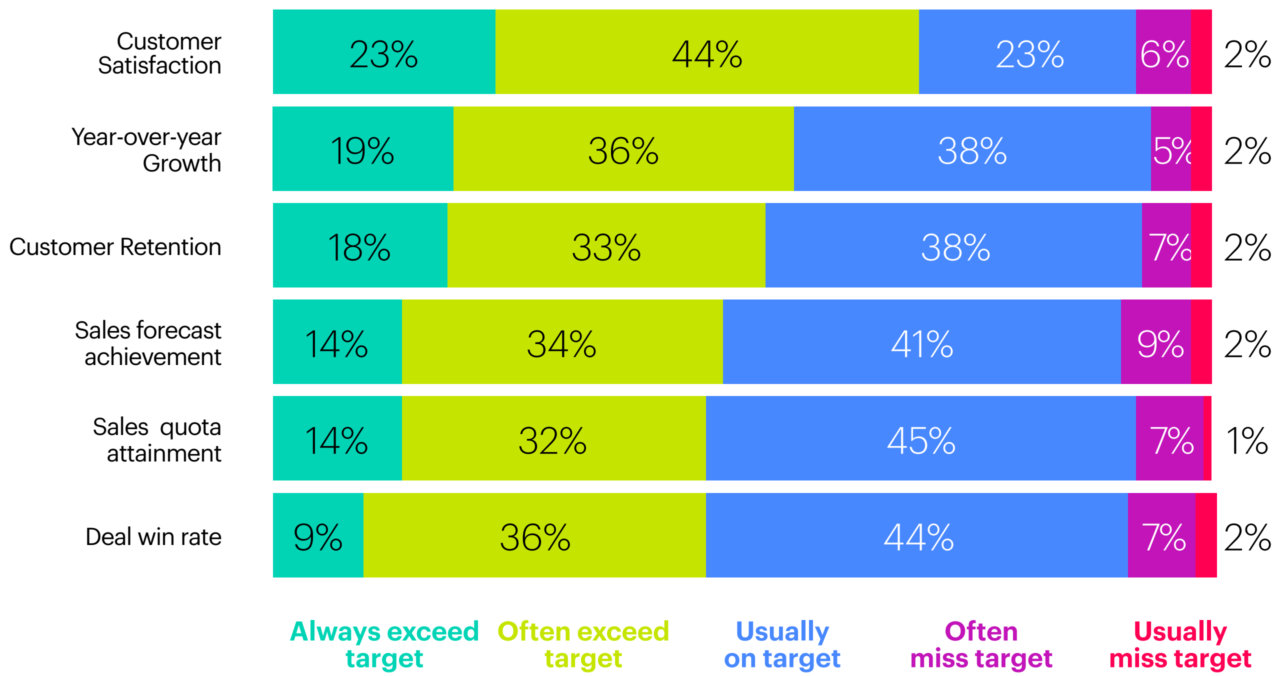
## Customer satisfaction leads sales team success measures.

The *Harvard Business Review* found that 84% of B2B purchases start with a referral,  and sales organizations clearly see the value of keeping existing customers satisfied to make this possible.

Customer focus is a common success factor for all groups that exceed their selling targets. Overall, customer-focused goals led among sales' key metrics for top performers over growth, as well as metrics like forecast achievement, quota attainment, and deal win rate. Average performers put slightly more emphasis on year-over-year growth than customer retention.

### FIG 14: Sellers Focus on the Customer

Please rate your success at achieving the following sales objectives




SOURCE: n = 506

Across our research, a focus on the customer and correlation to digital selling success was evident. Tech companies exceeded the industry average for all measures of sales success, especially achieving sales forecast (29% vs. 14%) and year-over-year growth (29% vs. 19%).

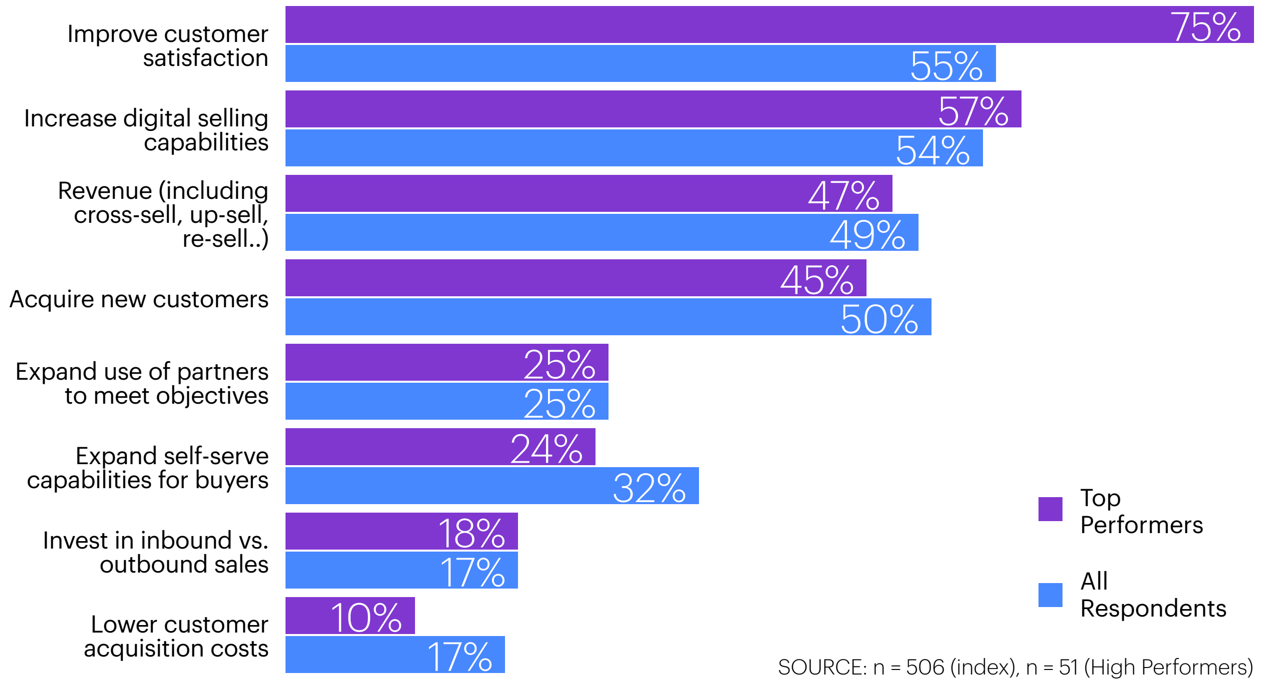
And while sellers are focused on the customer, according to Salesforce's annual State of Selling report, "62% of buyers who make weekly B2B purchases have switched sellers in the past year. One in five buyers highlighted a lack of integration between sales channels and poor commerce functionality as key reasons to switch. Most prominent reasons largely outside the salesperson's purview: pricing, missing delivery dates, long lead times, etc." As we'll see in the People section below, top performers understand these cross-functional integration challenges and focus on them as a priority.

## 2020 sales objectives of top performers focus on existing customers, and there is a universal push to increase digital selling capabilities.

When sales organizations developed their 2020 objectives (see chart right), improving customer satisfaction was the top priority, and again, even more so among top-performing organizations that see sustained customer relationships key to their success. After customer satisfaction, increasing digital selling capabilities was the second most named sales team priority, except in China, where it over-indexed (62%), indicating a strong focus on the digital transformation of selling and push toward enablement.

### FIG 15: 2020 Sales Team Objectives

We'd like to understand your priorities and challenges (pre-COVID-19): What are your top three objectives for the Sales team in 2020?




SOURCE: n = 506 (index), n = 51 (High Performers)

An interesting insight is that average performers focus on lowering customer acquisition costs to a greater degree than top performers (17% vs. 10%). This is consistent with top performers who focus on existing customers for achieving their objectives and less mature organizations' belief that digital selling lowers the cost of sales, which stands in opposition to the views of top performers.

One industry outlier was consumer products, which over-indexed its priority to expand self-serve capabilities (48% vs. 32% average). In B2B2C (a profile we tested), this industry is pushing broad digitization of selling, starting with buyer experience.

While banking/finance over-indexed in its 2020 objective to improve customer satisfaction (61% vs. 55%), it reported the lowest achievement, perhaps because it also underutilizes customer analytics to plan the sales process (27% vs. 35%) and, without these analytics, underperforms in negotiating the complex needs of buying committee deals (16% vs. 27%) that span multiple buyer personas. Its customers aren't satisfied because they're being sold products that don't meet their needs.

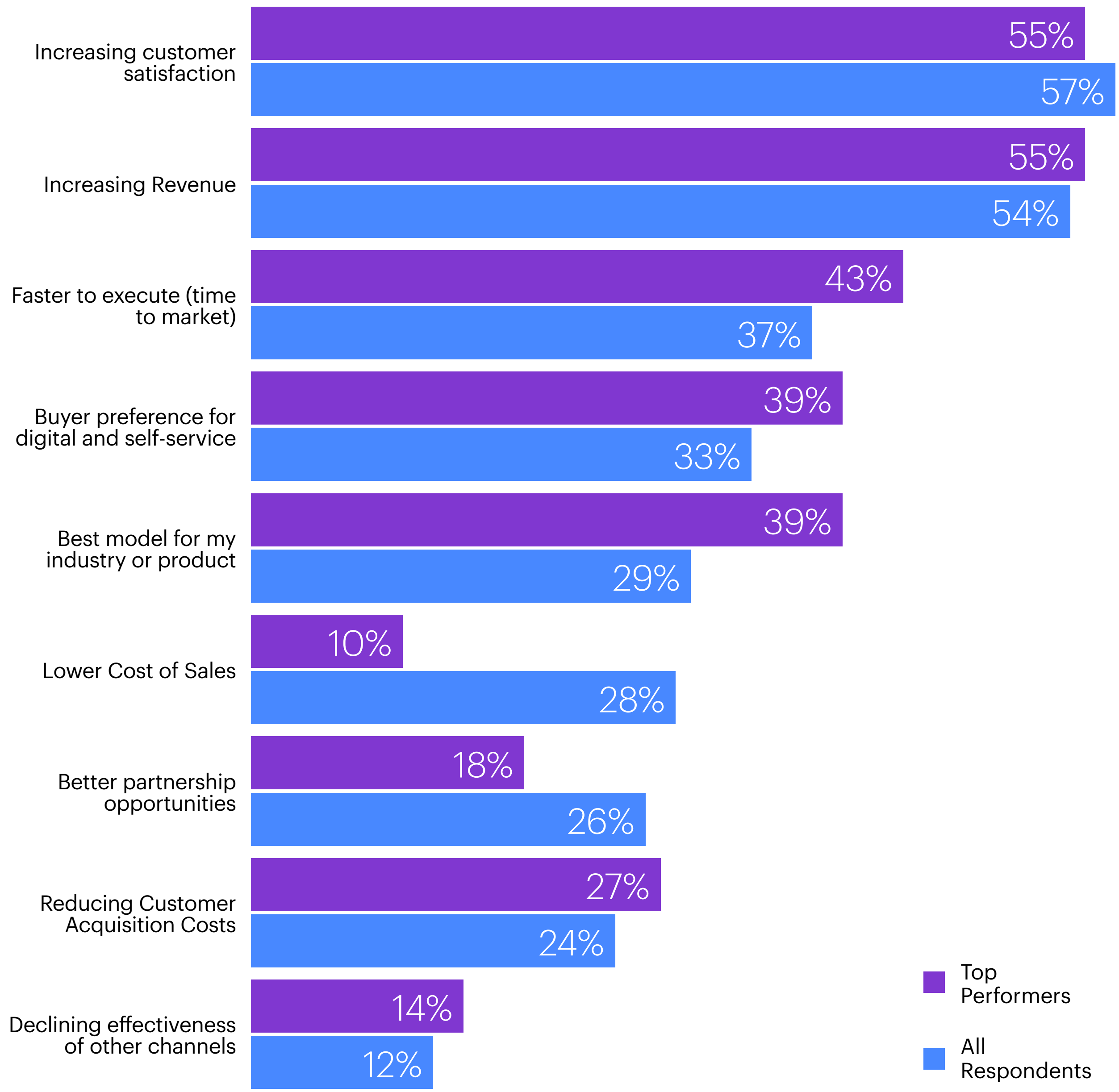
## Objectives driving digital selling investment are focused on customer satisfaction, less so cost of sales.

Increasing customer satisfaction was the leading objective driving digital selling investment.

Objectives driving digital selling investment varied little between top performers and the index, except when it came to the goal of lowering the cost of sales. Top performers (28% vs. 10%) realize that digital doesn't lower the cost of sales, although some industries like banking/finance over-indexed at 35% in this belief. The tech industry believes that the cost of digital selling is higher than other industries not yet performing at their level, so banking/finance is one example of an industry that has unrealistic expectations when it comes to investing in digital selling to lower the cost of sales. Those yet to achieve the highest digital selling maturity are underestimating the cost to achieve results.

**FIG 15: 2020 Business Objectives Driving Digital Selling Investment**

Our investment in digital selling is driven by the following objectives




SOURCE: n = 506 (index), n = 51 (High Performers)

Consumer products stood out for their focus in customer satisfaction as an investment driver (71% vs. 57%) and buyer preference for digital and self-service (48% vs. 33%). While this industry lags in sales force enablement tools and tech, it has started focusing on customer-facing tech more so than other industries, which could be characterized as a “customer-first” model of digital selling.

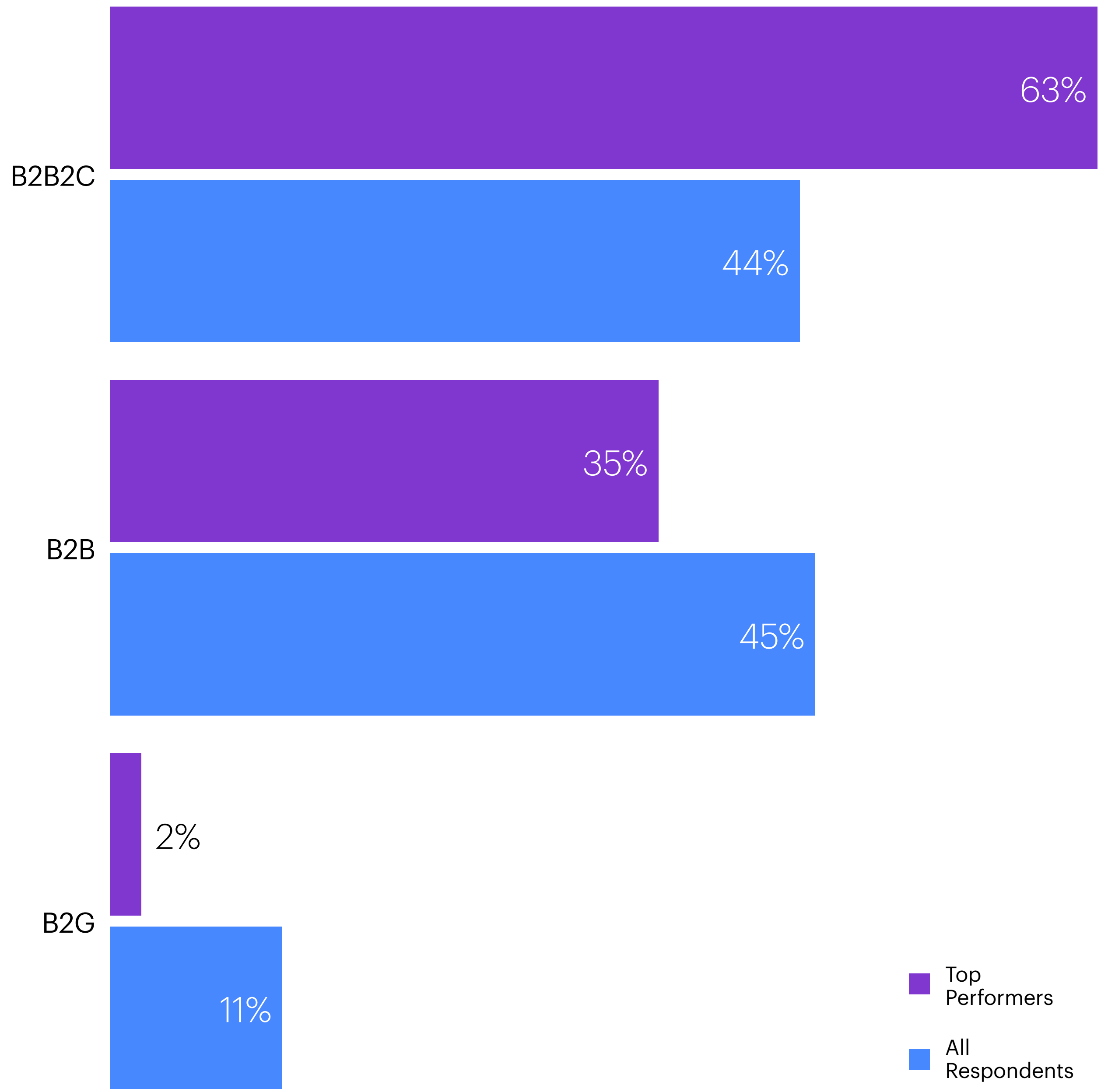
Technology, the top-performing industry vertical, named “Faster to execute (time to market)” as a top priority (49% vs. 37% industry average), just above “Increasing customer satisfaction” (48%) and “Increasing revenue” (44%). This is the result of an industry known for rapid product development cycles, with the processes, people, and technology in place to quickly execute digital sales strategies for new products. Beyond a willing culture, the tech industry stands out — due to its quick product cycle times — as one that needs digital selling more than any other industry.

## B2B2C organizations understand consumer-focused selling models and lead in sales performance.

B2B2C businesses outperform traditional B2B as top performers. B2B seller maturity hasn't translated to sales to the same degree as B2B2C sellers. B2B2C sellers better understand the needs of B2C commerce that sets the high bar for digital experiences and buyer expectations. When asked what one piece of advice he would give those transforming to digital selling, Lou Orfanos of HubSpot shared: "Create a gap analysis between buyer expectations and your own process. Chances are, your process is dated and misaligned with the modern buyer who lives for speed, efficiency, and convenience."

**FIG 16: B2B2C lead Mature Digital Sellers**

Which of the following best describes your organization and the market you serve?




SOURCE: n = 506 (index), n = 51 (High Performers)

# ORGANIZATION & TEAM

Like any disruption, people factors — like skills, incentives, alignment, and organization — are significant. When I asked about this, Brian Walton at LinkedIn focused on team culture through leadership: “It starts with culture and how leaders embrace digital selling or not. Many of LinkedIn’s top clients have significant tech investments, but when you go under the hood, without leadership involvement, their results are limited.”

Digital selling is impacting the role of marketing and sales: Marketers are moving down the funnel (e.g., high-volume, low-cost inside sales), while sales is moving up through increased focus on its own prospecting and leads using sales automation tools. LinkedIn’s own research found that there is little overlap in prospects between marketing and sales (34% at the enterprise level, 14% at SMB), so the two groups are targeting different prospects.

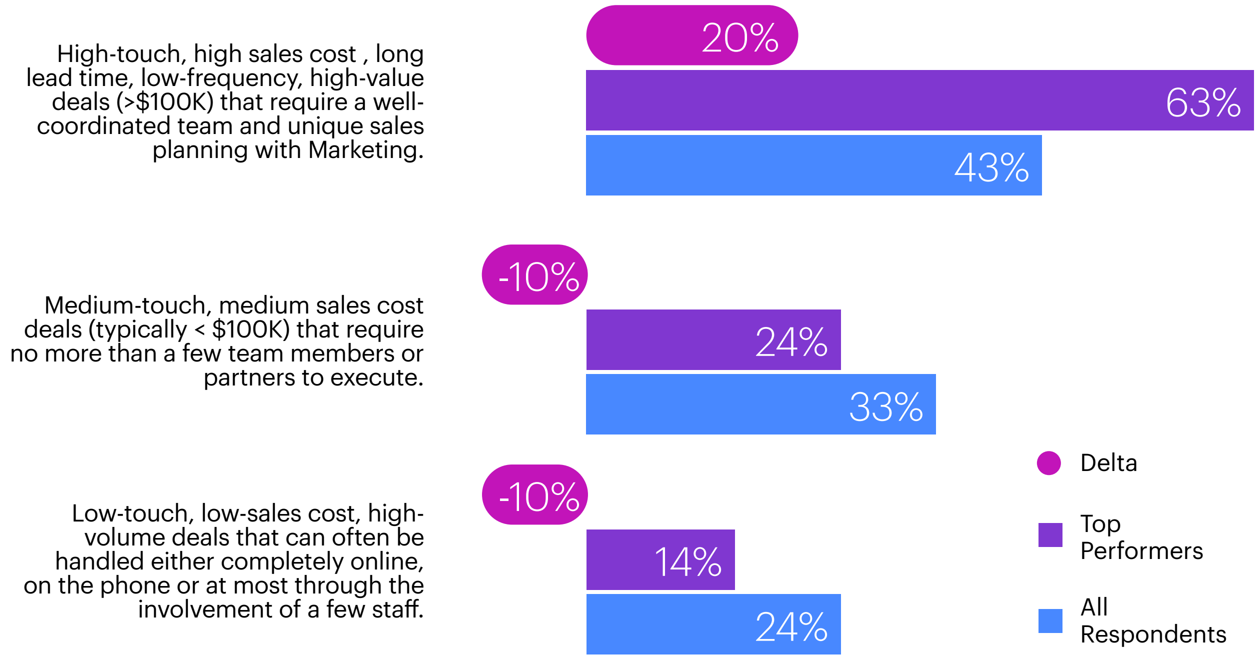
The organizational evolution to digital includes the growth of inside sales. Martin Heibel from the digital sales assistant vendor Ciara, told of a 100-year-old publishing company that transitioned from field to inside sales after a pilot showed strong results. While traditional companies can make this happen, the transition to inside sales is heavily dependent on the complexity of the product — easier for publishing, much less so enterprise tech.

## Cross-functional teaming to address high-touch, high-value sales deals correlate to high performance.

Recognizing that sales teams differ in approach based on factors such as deal size, value, and sale frequency, we sought to understand how success differed by team type. The three types of teams we measured are the most common configurations (see figure, right).

**FIG 17: Well-coordinated Teams Focused on High-touch Selling Perform Better**

Our/my typical sales deals are:




SOURCE: n = 506 (index), n = 51 (High Performers)

The larger the deals, the higher performing the sales organizations were, over-indexing performance by 20%. On the one hand, it's not surprising sales teams that partner with marketing on a holistic, orchestrated plan do well, it was surprising to see poor results among low-touch, high-volume deals since they are handled almost completely digitally, typically as self-serve e-commerce portals or inside sales. This is a sign that these all-digital customer experiences are falling short of expectations and the human factor in B2B remain essential.

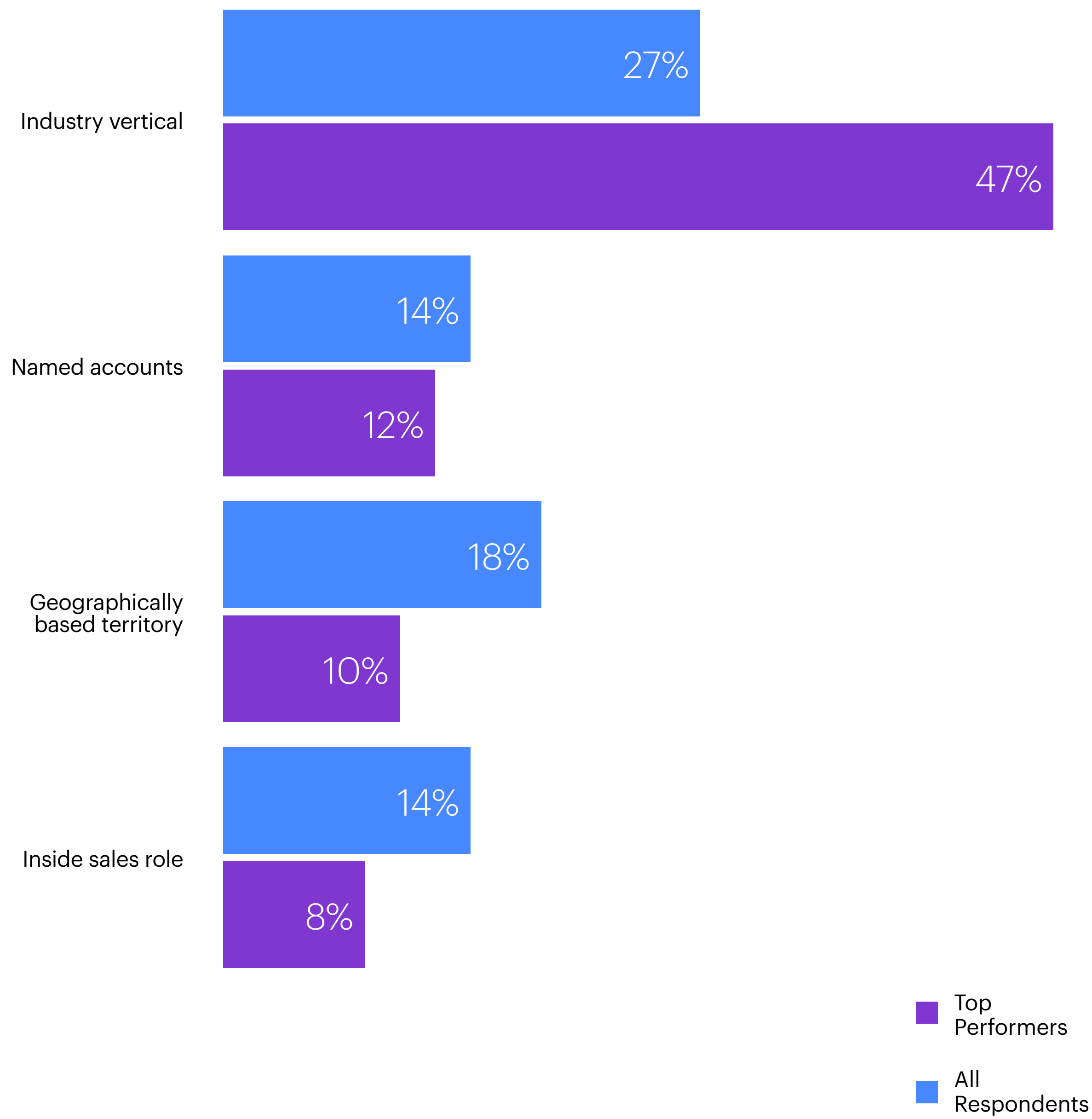
Complete digital automation of the sales process doesn't replace well-coordinated cross-functional teams. These high-touch deals executed through interdisciplinary planning and orchestrated execution through consistent data and enablement tools has been found to be a key success factor in many of the capabilities we tested. One brand I interviewed shared how they achieve this alignment through highly structured 5-day cross-functional planning sessions to create go-to-market strategy. Unless (or until) leadership aligns consistently, this type of intense planning can fill the gap. Having a consistent data view across functions is key to achieving this alignment.

## Sales teams focused on industry verticals are top performers.

Sales organizations overwhelmingly organize their efforts around industry vertical, especially top performers (47% vs. 27%). A key success factor for digital selling is a deep understanding of the buyer's industry, which puts the salesperson in the role of buyer problem solver and partner.

**FIG 18: Selling by Industry Vertical Correlates to High Performance**

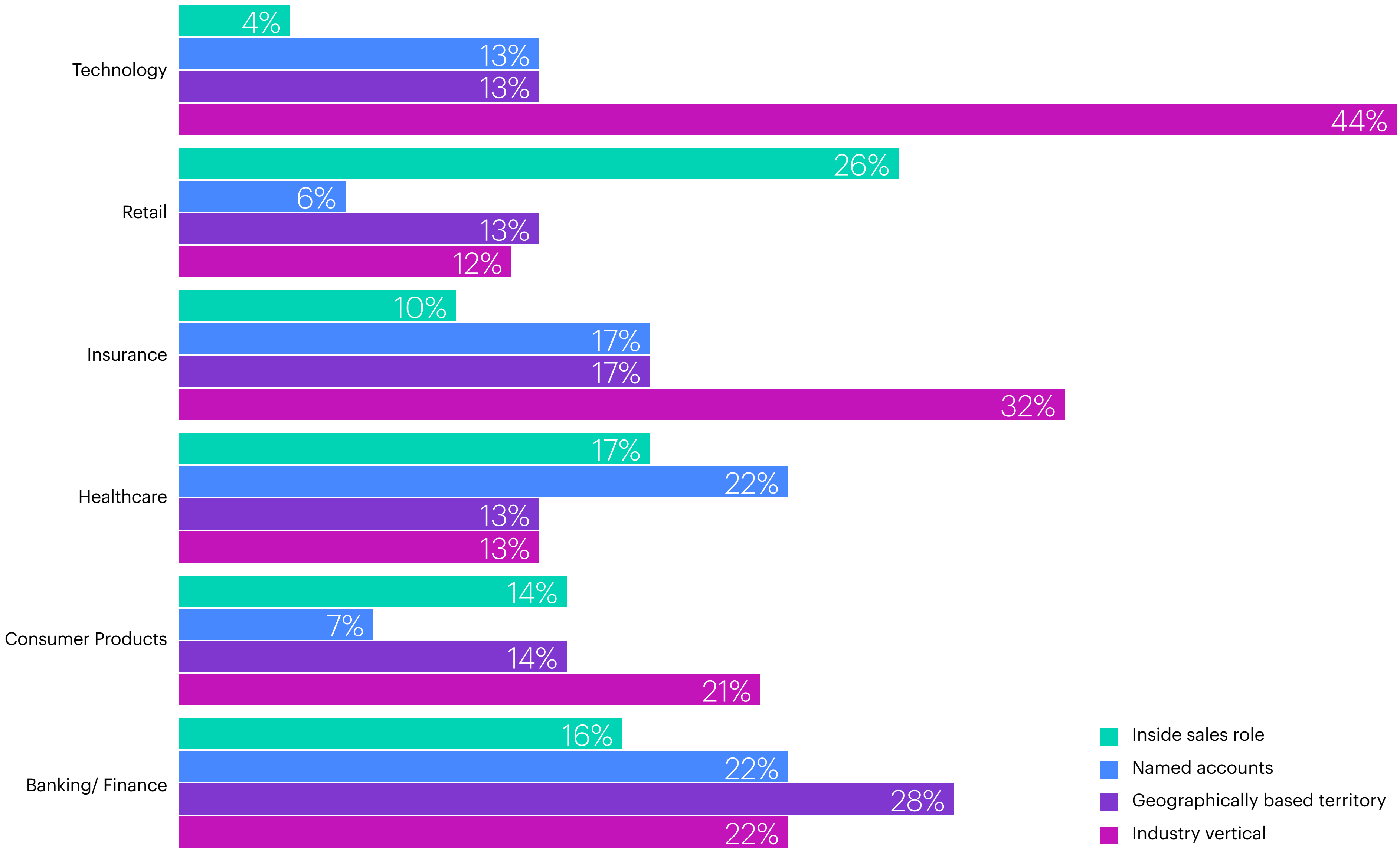
My sales role is primarily focused on:




SOURCE: n = 506 (index), n = 51 (High Performers)

Selling by industry vertical was particularly prevalent in the tech industry, the highest performing industry in our research:

### FIG 19: Sales Approach by Industry Vertical



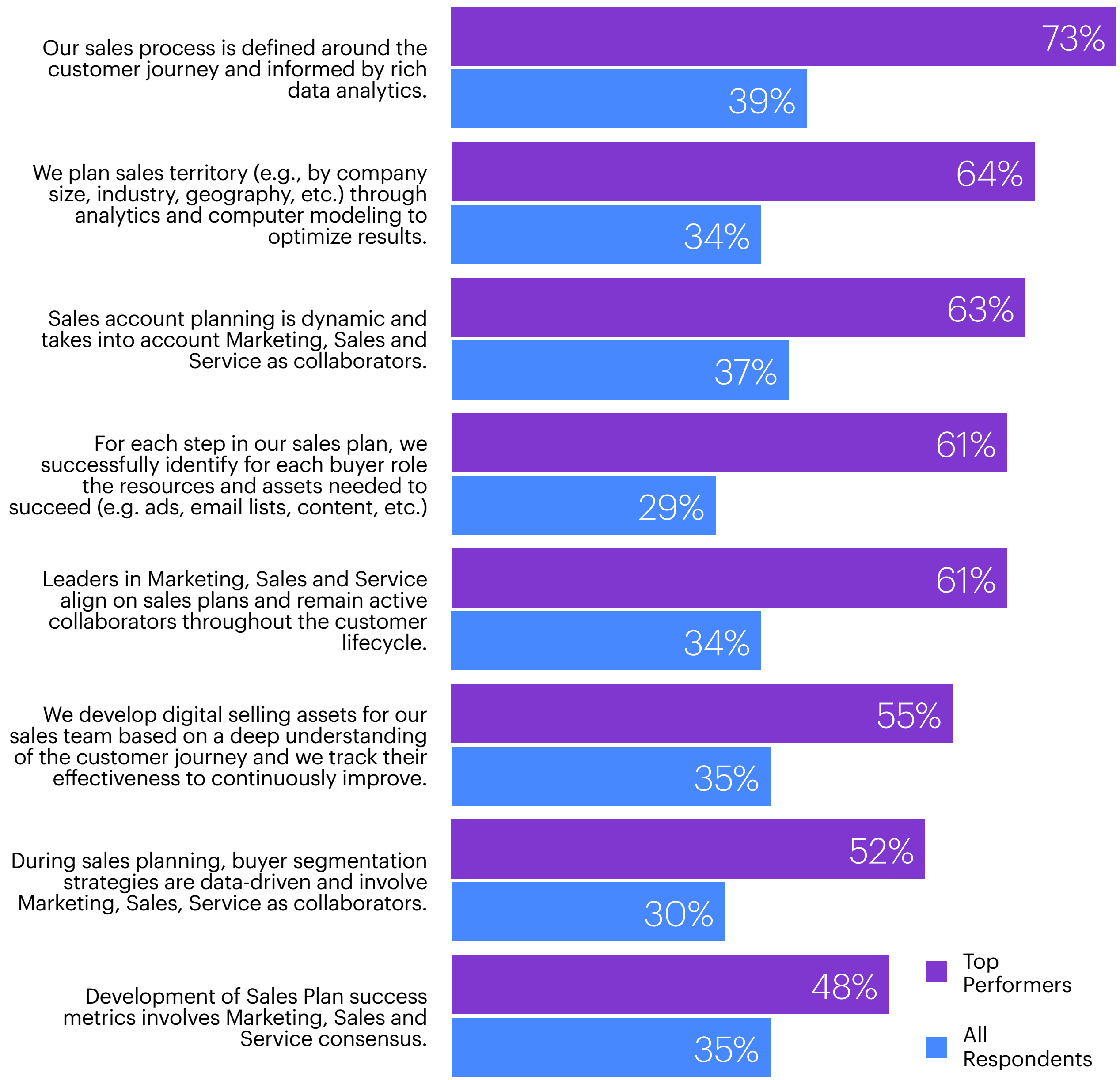

SOURCE: n = 506 (index), n = 51 (High Performers)

## In sales planning, top performers excel at cross-functional alignment and embrace data.

Sales performance starts with a strong start, in the planning process. We found the index of all sales organizations about a third of their way to full maturity (see Figure 20, blue bars right). The least mature practices had in common a lack of buyer segmentation (30%) and planning selling assets, such as content, by buyer role (29%). Europe underperformed significantly in its ability to align sales plans cross-functionally (17% vs. 35%), whereas China led other regions in this alignment (45% vs. 35%).

Top performers employ dynamic, interdisciplinary planning processes that involve all groups that touch the customer. Cross-functional planning and alignment is a key success factor for top-performing sales organizations (63% vs. 37%), and they are much more likely to leverage analytics and computer modeling (64% vs. 34%). Similarly, buyer segmentation strategies leverage the same (52% vs. 30%). Top performers embrace a culture of data to outperform their peers. Consumer intelligence data was a weakness for Europe, as it under-indexed customer journey work (27% vs. 39%), and during the sales planning phase, it had underperformed in developing selling assets by buyer type (28% vs. 35%). Consumer privacy laws in Europe could be one way to explain this weakness in consumer intelligence.

### FIG 20: Where Top Performers Focus Their Planning Processes




SOURCE: n = 506 (index), n = 51 (High Performers)

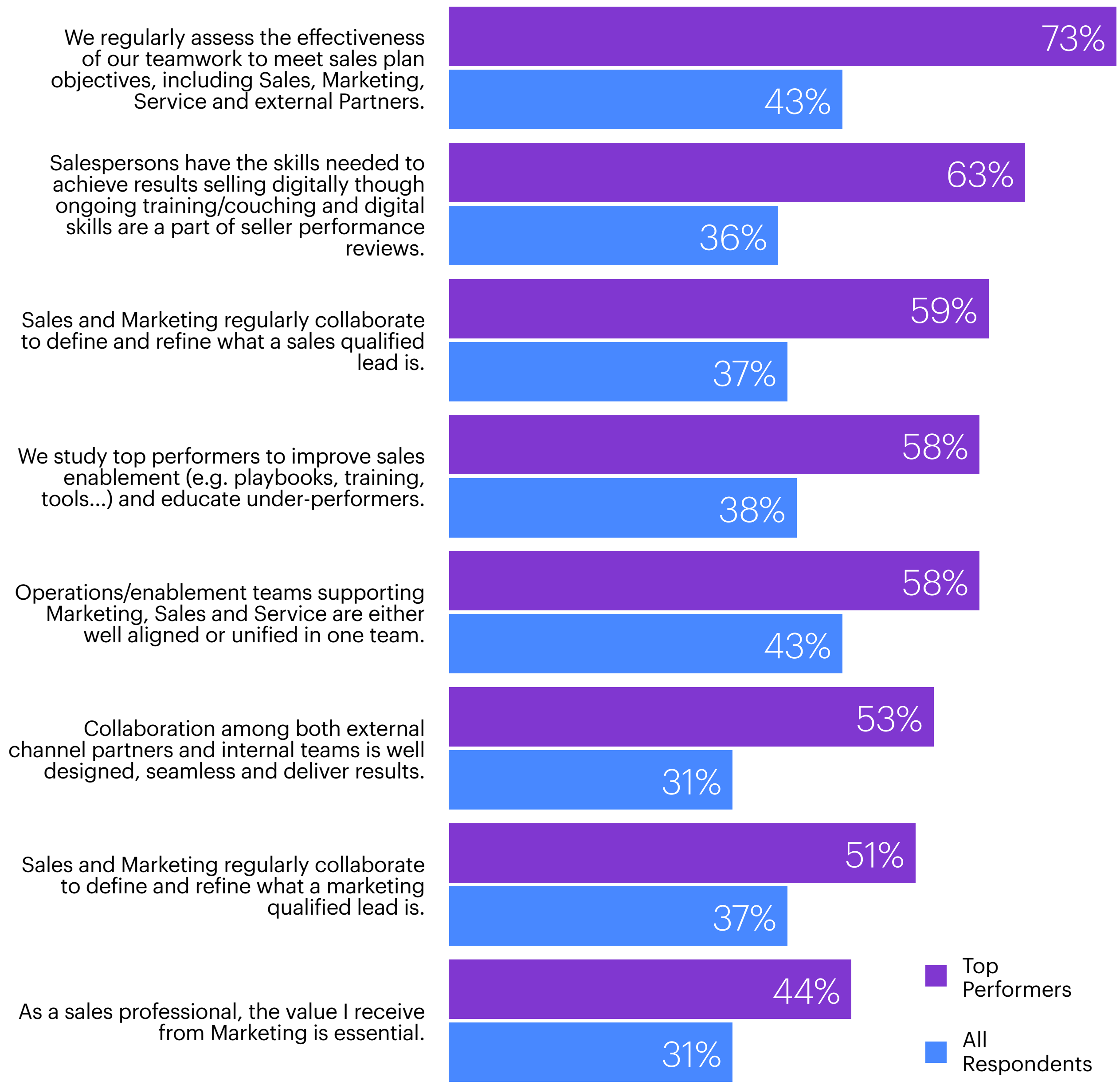
## Cross-functional teaming key success factor: Top performers measure success as a team.

In this series of questions, we sought to understand the degree to which sales successfully partners with marketing on the front end of the funnel and service on the back end. Regularly assessing plan achievement with partners showed maturity (see chart right), while a minority of top performers (44%) and the index (31%) strongly agree marketing adds value, ranking lowest among the teamwork questions we asked. Trust in marketing was highest in North America (40%) and lowest in China (14%).

As sales teams become more empowered with digital tools, Lou Orfanos at HubSpot agreed that “sales prospecting is made for digital, such as using digital signals to find new customers.” Looking forward, if sales prospecting is getting so much better, at what point is marketing out of the leads business?

Top performers prioritize the regular assessment of teamwork results (73% vs. 43%) and are almost twice as likely to strongly agree they have the skills needed to achieve results (63% vs. 36%).

### FIG 21: Top Performers Regularly Assess Teamwork’s Effectiveness, but Less Likely to View Marketing as Essential Partner



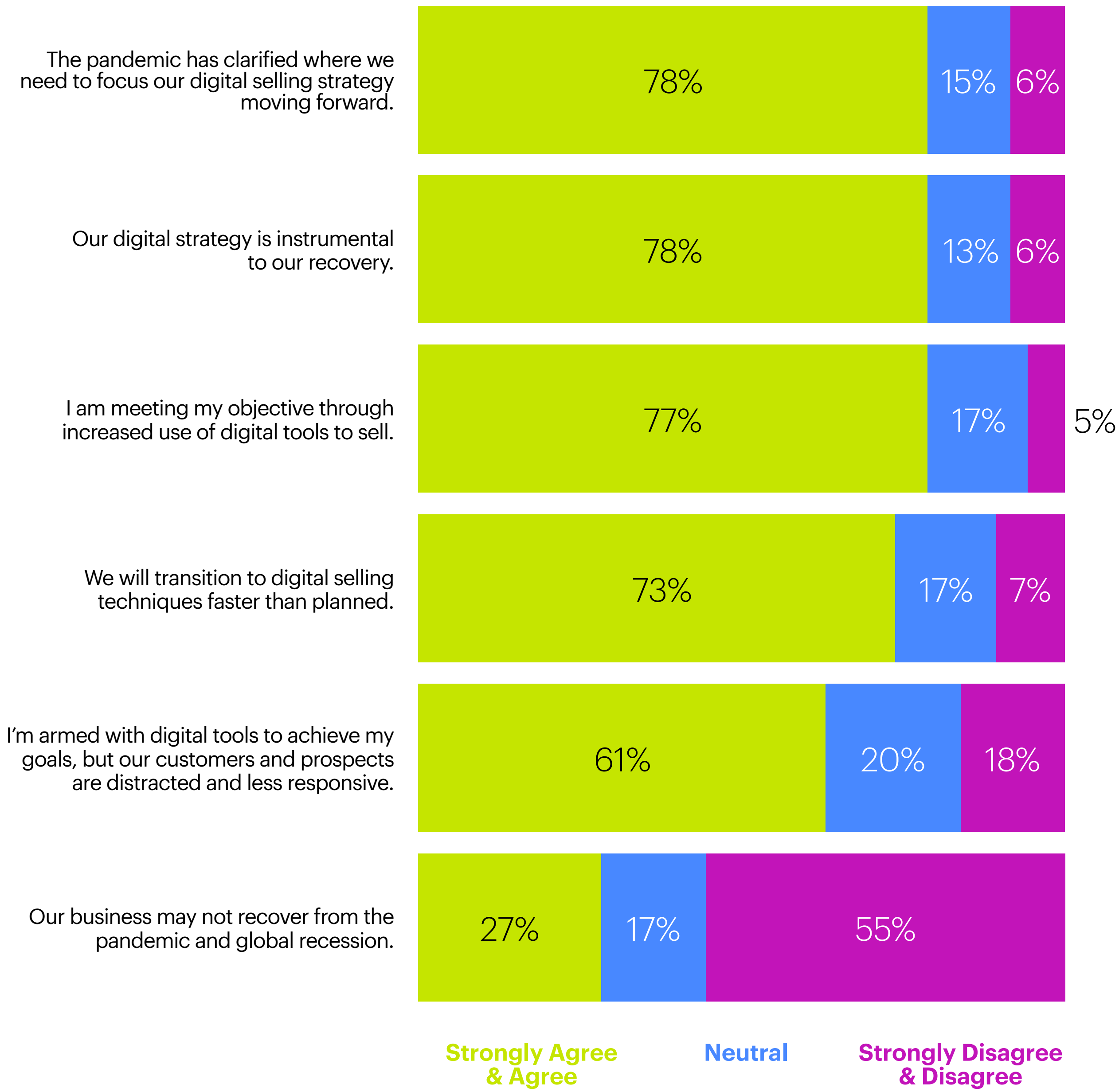

SOURCE: n = 506 (index, strongly agree), n = 51 (High Performers, strongly agree)

# COVID-19 IMPACT

Sales' response to the COVID-19 pandemic shows insight into the future of digital selling and an acceleration toward maturity

**FIG 22: Sales' Response to COVID-19 Show Trajectory of Maturity**

Please indicate your level of agreement for how COVID-19 has impacted you:




SOURCE: n = 506, "Q: Please indicate your level of agreement for how COVID-19 has impacted you" (excludes "Not Applicable")

Our research found that the global pandemic has clarified that digital strategy is aiding in recovery (78% Agree + Strongly Agree), has helped meet selling objectives (77%), and is accelerating the transition to digital selling (73%).

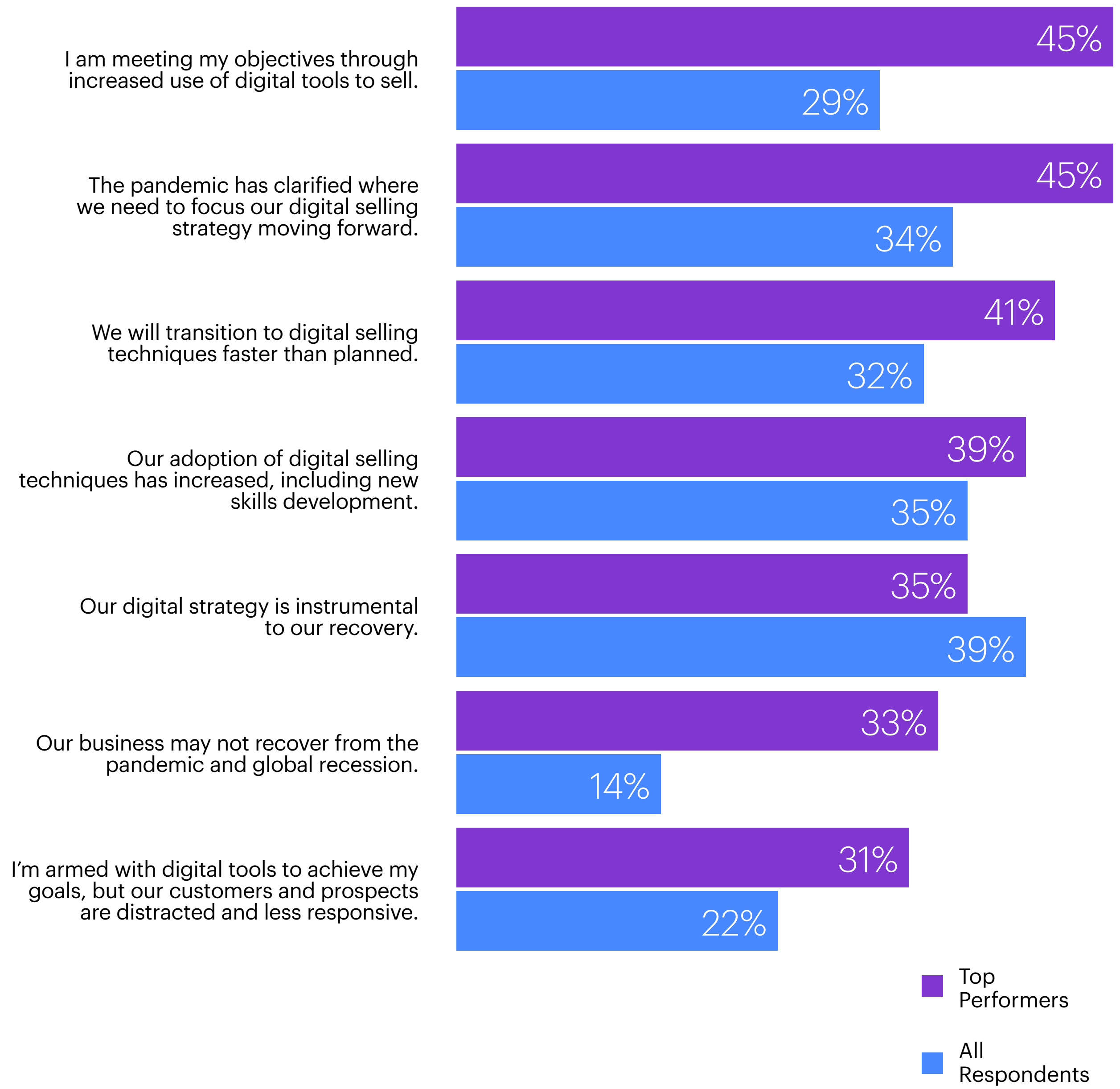
Banking/finance and tech stand out as industries accelerating digital selling adoption and surviving the pandemic well. The tech industry is more likely than others to strongly agree that its adoption of digital selling techniques has increased during COVID-19 (42% vs. 35%) and that it has tools to achieve goals, but prospects are distracted and less responsive (32% vs. 22%). Buyer distraction during the pandemic should decrease with recovery, but the long-term impact of accelerated adoption will remain a long-term benefit. Banking/finance is more confident that its digital strategy will be instrumental to the industry's recovery from COVID (46% vs. 39% average), and the industry is more likely to say it will accelerate its transition to digital selling (37% vs. 32%).

As an industry, consumer products showed the lowest movement toward digital selling during the pandemic. It's less likely to say adoption of digital selling has increased (19% vs. 35% all industries) and that it's meeting objectives through digital selling (14% vs 29%). It appears the industry was unprepared, since it is also much less likely to strongly agree that it has tools to achieve its goals (5% consumer products vs. 22% industry average). This insight came to light in other parts of our survey as well. Consumer products is less likely to leverage analytics in sales planning, including defining sales territories (19% vs. 34% industry average) and buyer segmentation (19% vs. 30%). This lack of data focus results in poor data-driven development of content plans, including developing content by buyer journey step (19% vs. 35%) and content effectiveness (14% vs. 31%).

## Top performers resilient during COVID-19.

Top-performers were much more likely to report that they are meeting their objectives during COVID-19 through increased use of digital tools to sell (45% vs. 29%). Top performers have used digital tools successfully to meet business objectives during COVID-19, demonstrating the resilience you'd expect from organizations ready to operate virtually. China led in reporting that its digital strategy is instrumental to its recovery (46% vs. 39%) and that it's meeting objectives through digital selling (37% vs. 29%).

### FIG 23: COVID Impact: Top Performers




SOURCE: n = 506 (index), n = 51 (High Performers)

# LOOKING FORWARD

**Digital selling practices are evolving quickly, but based on 2020's data, we can expect the following evolution over the next few years:**

1. **Sales enablement tools will get better at bridging cross-functional teams for alignment around the customer.** The digital selling tech stack needs to give sellers more agility in process execution to match unique, unpredictable buyer needs. Enablement stacks (Salesforce, et al.) will need to design their suites around emerging revenue operations teams that work cross-functionally for marketing, sales, and customer success to achieve goals. Increased adoption is anticipated. Vendors like Salesforce told of their efforts to use AI, including a new tool that captures the essence of what a buyer wants by analyzing voice calls as one way to make tool adoption easier and more impactful, especially for teams like field sales early in their adoption curve.

2. **New operations teams and leadership roles will unify teams and practices.** LinkedIn reported in our interview that titles like chief revenue officer and revenue ops teams are growing. Organizations are tackling the leadership alignment challenge by having marketing and sales report to the same leader and instituting combined operations/enablement teams. These structures will ease the overlap we see coming between sales-generated prospects through SFA and marketing's qualified leads. This bridge between the organizations will be the first to be tested as sales force automation increases adoption.

3. **Digital selling will be more like baseball.** As in Michael Lewis' book Moneyball, which focused on the Major League Baseball's transition from intuitive, passionate team managers to those who are data-driven and analytical, we see the same cultural shift in sales' digital transformation. Our results clearly show the close relationship between digital selling success and a strong data analytics culture.

4. **Sales' and marketing's roles will shift.** As sales becomes more digital and data-analytics focused, it will encroach in what is today marketing's territory. One brand I interviewed spoke of inside sales moving to marketing and sales taking a stronger role in lead prospecting — diminishing the value of a marketing qualified lead. This example is the tip of the iceberg for how these team relationships and roles will evolve as digital selling matures.

## ENDNOTES

[1] "The Challenger Sale." Gartner, 2018.

[2] "The Future of Sales." Salesforce, Aug 8, 2018 (https://www.slideshare.net/Salesforce/the-future-of-sales-109140449/12).

[3] Harvard Business Review. "How B2B Sales Can Benefit From Social Selling." November 10, 2016.

## ALTIMETER'S OFFERINGS

Altimeter research is applied and brought to life in our client engagements. We help organizations understand and take advantage of digital disruption. There are several ways Altimeter can help you with your business initiatives:

- **Strategy Consulting.** Altimeter creates strategies and plans to help companies act on business and technology trends, including digital sales and marketing. Our team of analysts and consultants work with global organizations on needs assessments, benchmarking, strategy roadmaps, and pragmatic recommendations to address a range of strategic challenges and opportunities.
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To learn more about Altimeter's offerings, contact sales@altimetergroup.com.

## METHODOLOGY

We surveyed 506 sales professionals from brands and other organizations with at least 1,000 employees across three geographies: North America (U.S. and Canada); Europe (U.K., France, and Germany); and The People's Republic of China. Respondents came from organizations described as B2B (business-to-business), B2B2C (business-to-business-to-consumer), and B2G (business-to-government) only; respondents from B2C (business-to-consumer) organizations were excluded from this research. The respondents from these organizations included salespeople, sales operations / sales enablement personnel, and sales managers / sales executives. Our sample includes a fixed quota of respondents from six industry verticals: Banking/Finance, Consumer Products, Insurance, Healthcare, Retail, and Technology. We asked each respondent multiple choice and ordinal questions about their organization's digital selling efforts, capabilities, maturity, and effectiveness.

## ECOSYSTEM INPUT

This report could not have been produced without the generous input from the following individuals (input into this document does not represent a complete endorsement of the report by them):

- Martin Schneider, Head of Corporate Strategy, SugarCRM
- Brian Walton, Head of Key Account Management, LinkedIn
- Lou Orfanos, GM head of Product, HubSpot
- Jerry Alderman, CEO, Valkre Solutions, Inc.,
- Martin Heibel, Founder & Managing Director, Ciara,
- Naila Maroon, Director of Global Digital Marketing, Hillrom,
- John Moore, VP of Revenue Enablement, Bigtincan
- Max Bondarenko, CMO, Revenuegrid
- Lynne Zaledonis, SVP of Sales Cloud Product Marketing, Salesforce
- Alice Heima, Virtual sales consultant
- Bernie Borges, Chief Customer Officer, Vengreso


## ACKNOWLEDGMENTS

Many thanks to the brands and vendors I interviewed for this report and to Ted Moser, Omar Akhtar, and Aubrey Littleton for helping to frame this research and identify the key capabilities sales teams need to succeed.

## OPEN RESEARCH

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When he's not mastering digital landscapes, he's painting real ones. An award-winning artist, his accomplishments include a cover story in *American Artist*, as well as serving on the advisory board of *PleinAir Magazine*. His art is in collections worldwide.

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