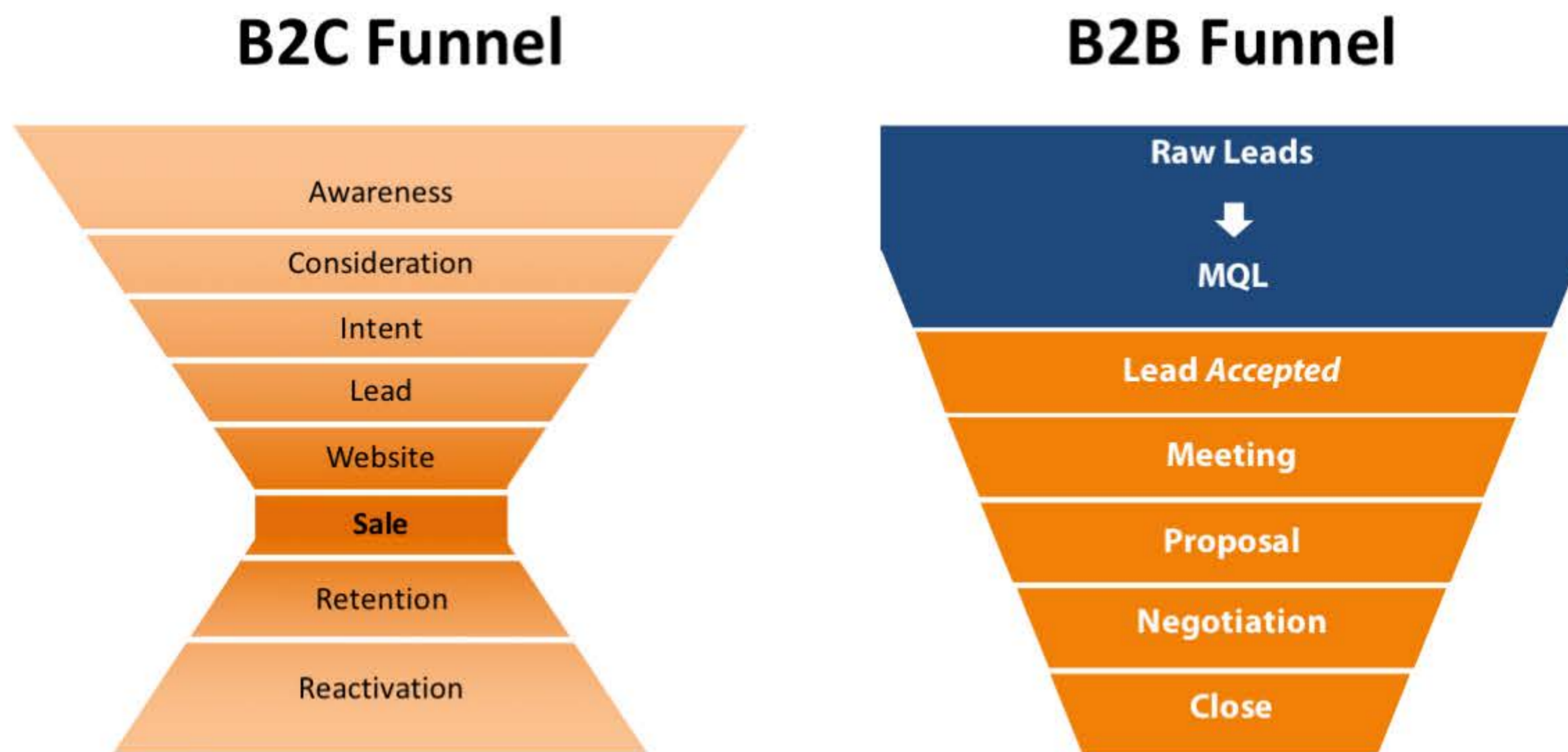# The Future of Sales Tech

An Introduction to Sales Technology: How We Got Here and Where We're Going
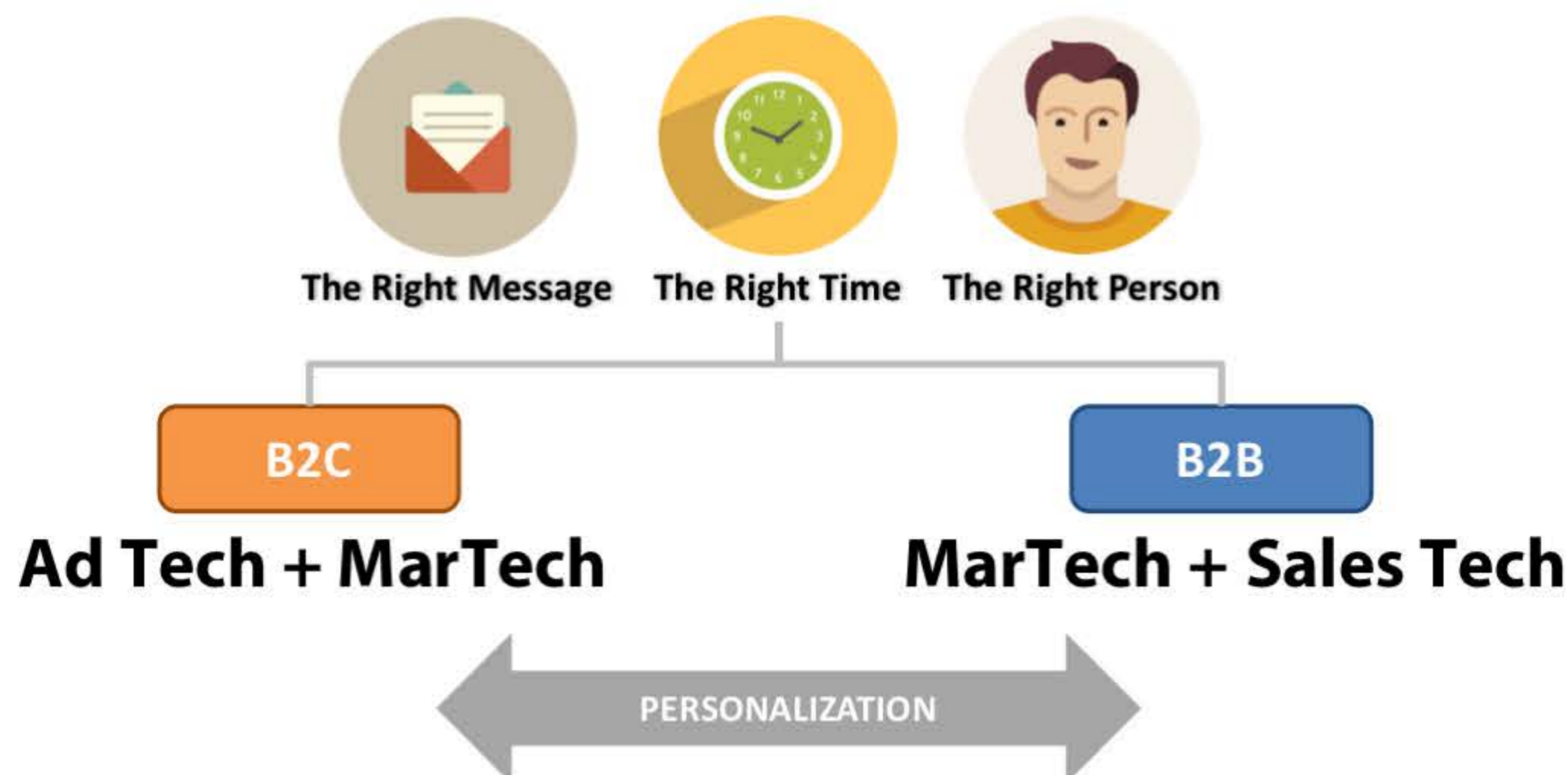
LUMA

Digital Brief 013

B2B Marketing is Distinct from B2C Marketing

While B2C is focused on driving consumers to purchase goods in stores or online, B2B is focused on selling goods and services to companies. These are very different sales processes.

B2C Funnel

- Awareness
- Consideration
- Intent
- Lead
- Website
- **Sale**
- Retention
- Reactivation

B2B Funnel

- Raw Leads
  ⬇
- MQL
- Lead *Accepted*
- Meeting
- Proposal
- Negotiation
- Close
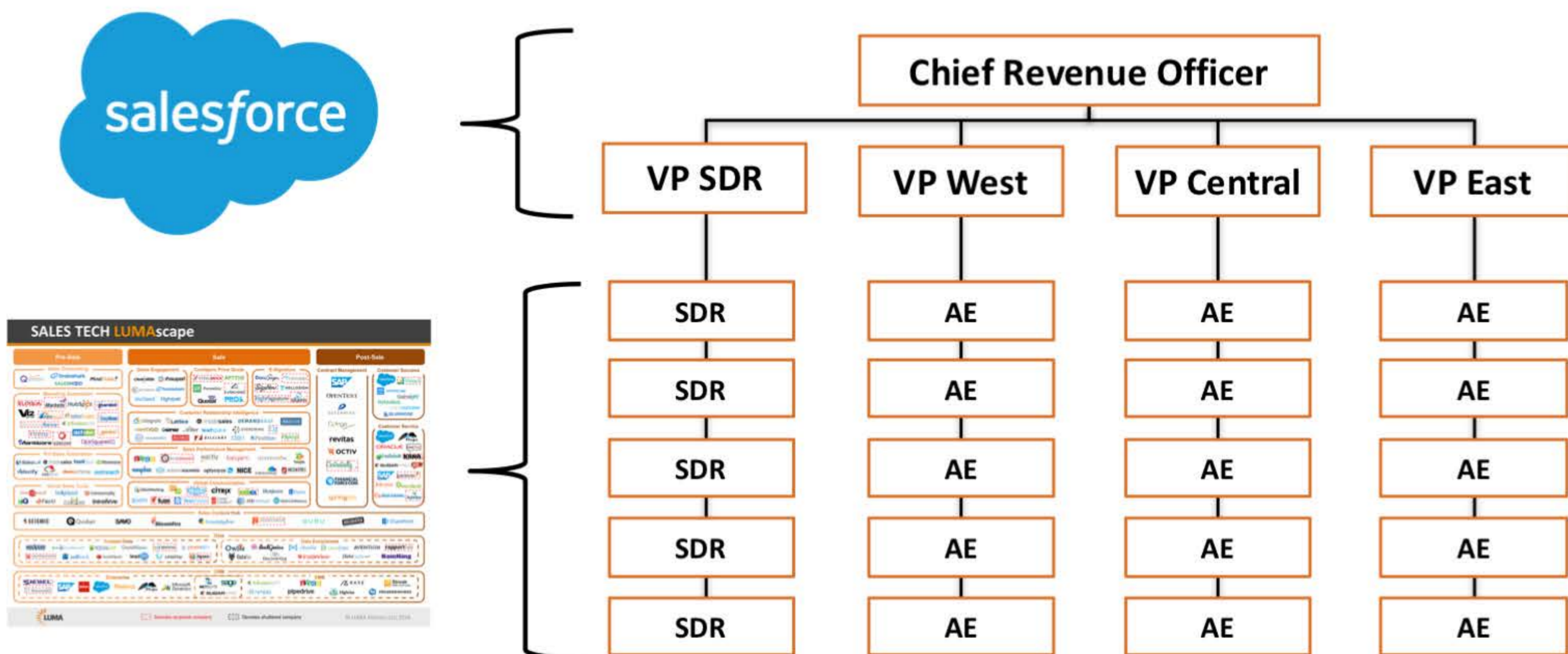
B2B = MarTech + Sales Tech

In B2C we've seen the convergence of Ad Tech and MarTech as marketers work to reach consumers through earned, owned, and paid media. In B2B, marketers are working at the convergence of MarTech and Sales Tech to identify and personalize messages to the highest quality leads.

The Right Message   **The Right Time**   **The Right Person**

B2C	B2B
Ad Tech + MarTech	**MarTech + Sales Tech**

◄ PERSONALIZATION ►

LUMA

Sales Tech Enables the Entire Sales Organization

CRM enables management to monitor the actions of sales people and track relationships with prospects and customers as they move through the pipeline. In that sense, CRM systems like Salesforce are focused on the management layer of an organization, not the individual sales person.

Today, action-oriented tools have emerged with the focus on making each individual sales person more effective at selling.

	Chief Revenue Officer		
VP SDR	VP West	VP Central	VP East
SDR	AE	AE	AE
SDR	AE	AE	AE
SDR	AE	AE	AE
SDR	AE	AE	AE
SDR	AE	AE	AE

LUMA

Massive Spending on Sales in the US, but Limited Sales Tech

To arm sales management, companies have invested in CRM systems. Worldwide customer relationship management (CRM) software revenue totaled $26.3 billion in 2015, up 12.3% from $23.4 billion in 2014, according to Gartner, Inc.

On the other side of the house, B2B Marketing departments have increasingly invested in marketing automation to more effectively drive qualified leads to the sales organization. According to MarketsandMarkets, worldwide marketing automation revenue will reach $5.5 billion by 2019.

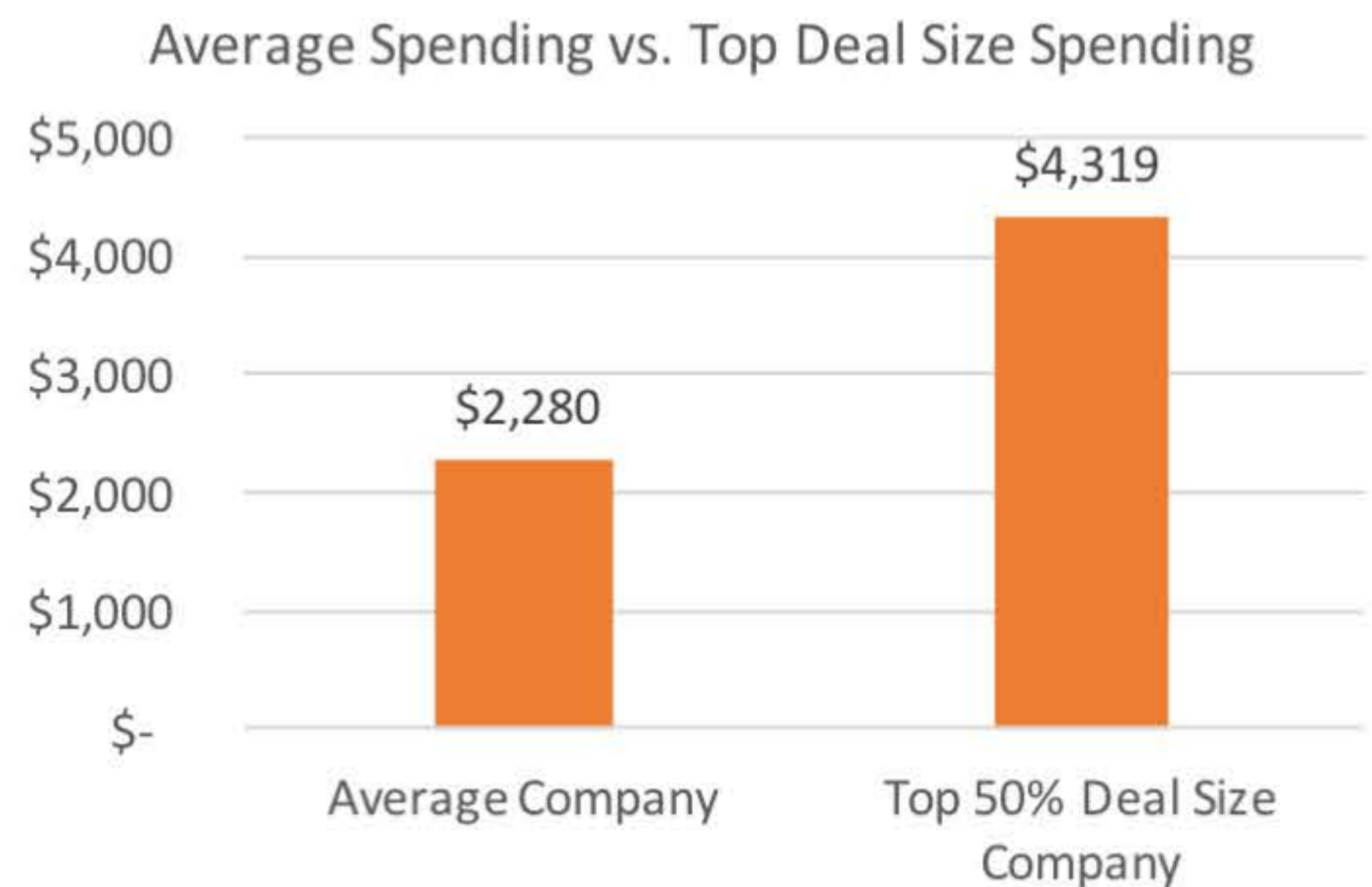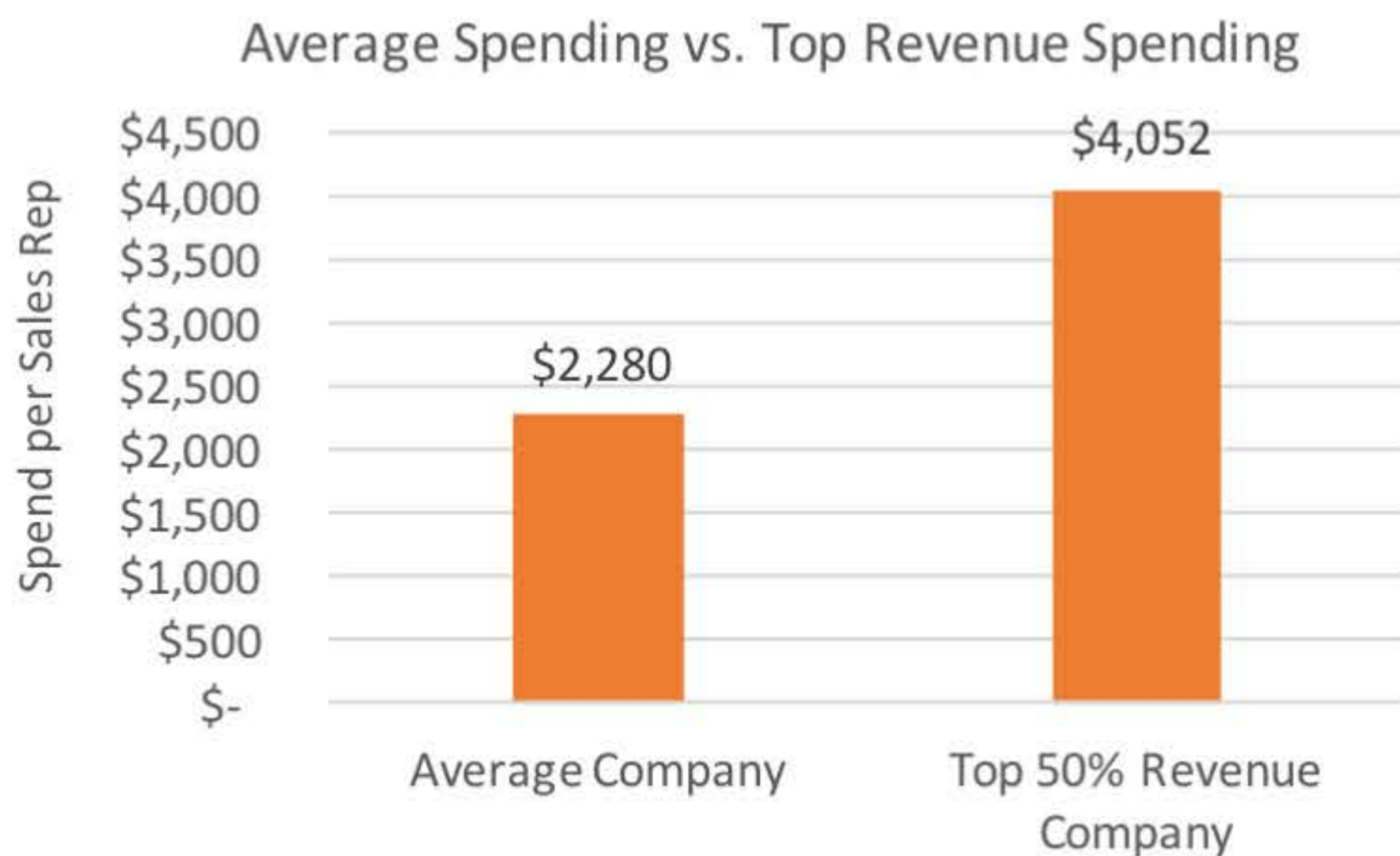**salesforce** ← **CRO**   **CMO** → **ELOQUA** **HubSpot** **Marketo**

Spending on Sales People is Enormous

According to the Harvard Business Review, U.S. companies spend more than $800 billion on Sales compensation each year, but only a small fraction (about 2%) has been spent on non-CRM Sales Technology. Sales Tech is emerging to better arm those sales resources.

Sales Compensation

$800B

Sales Tech Spend (Non-CRM)

$13B
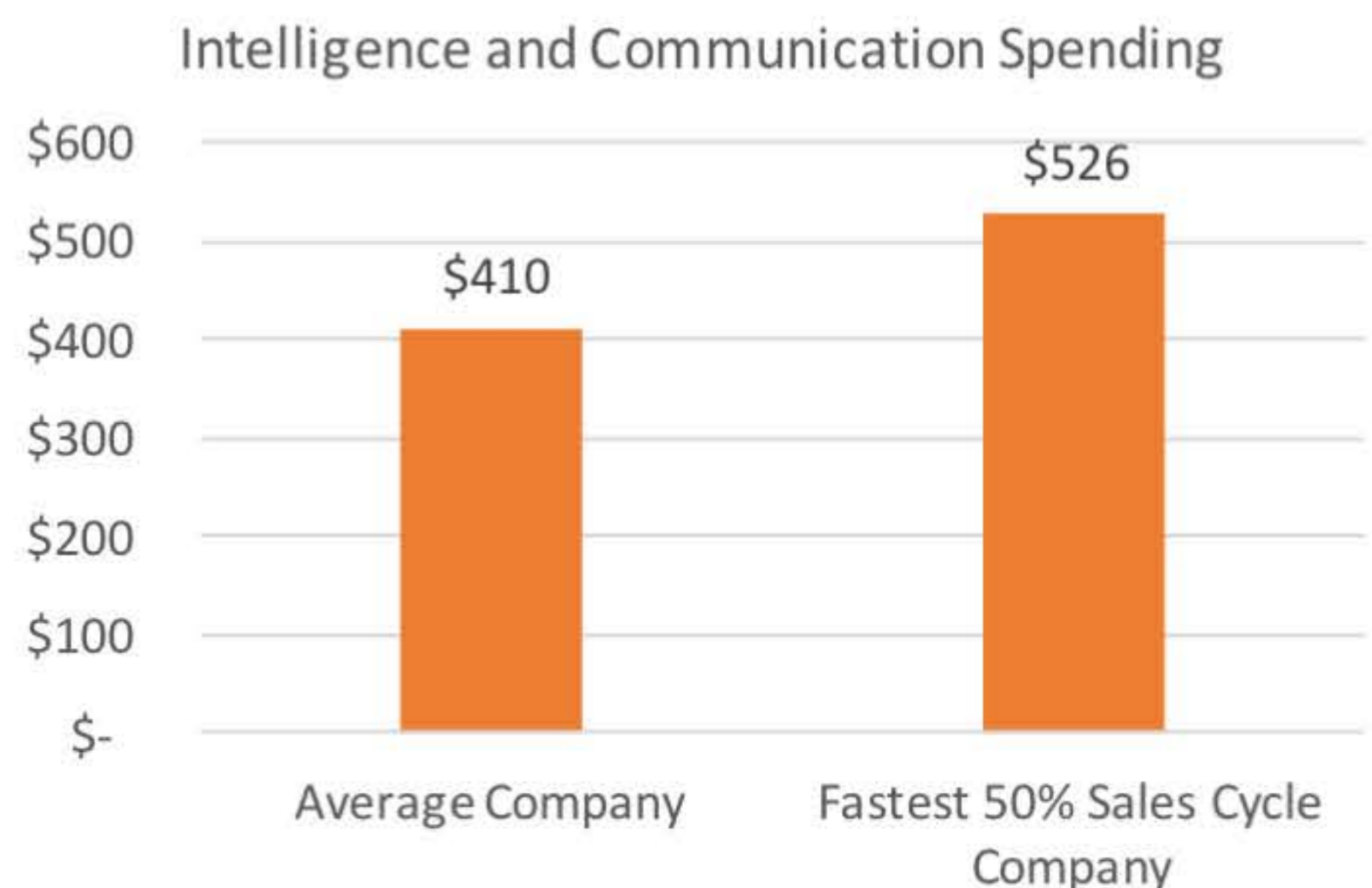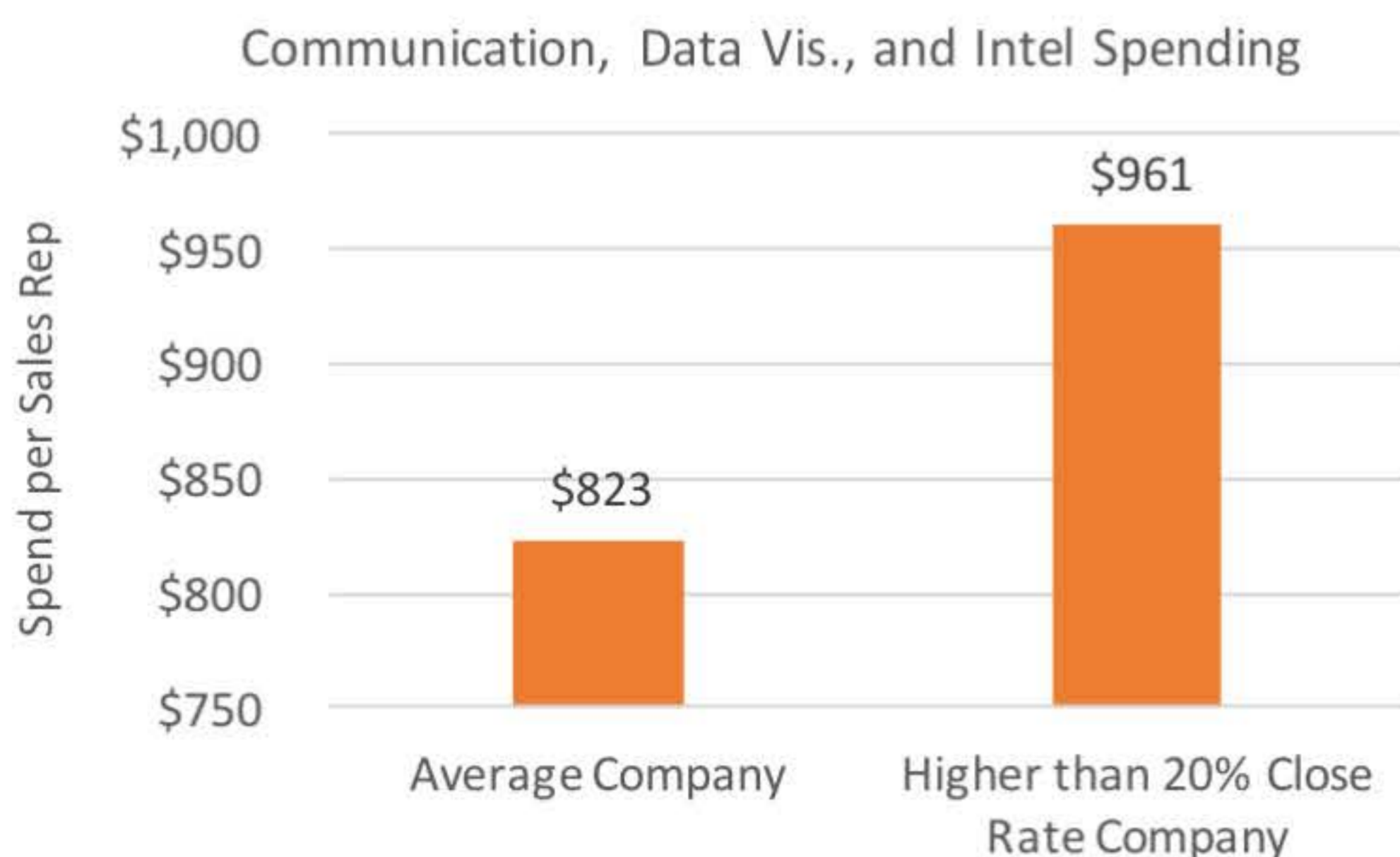
2%
of sales compensation

LUMA
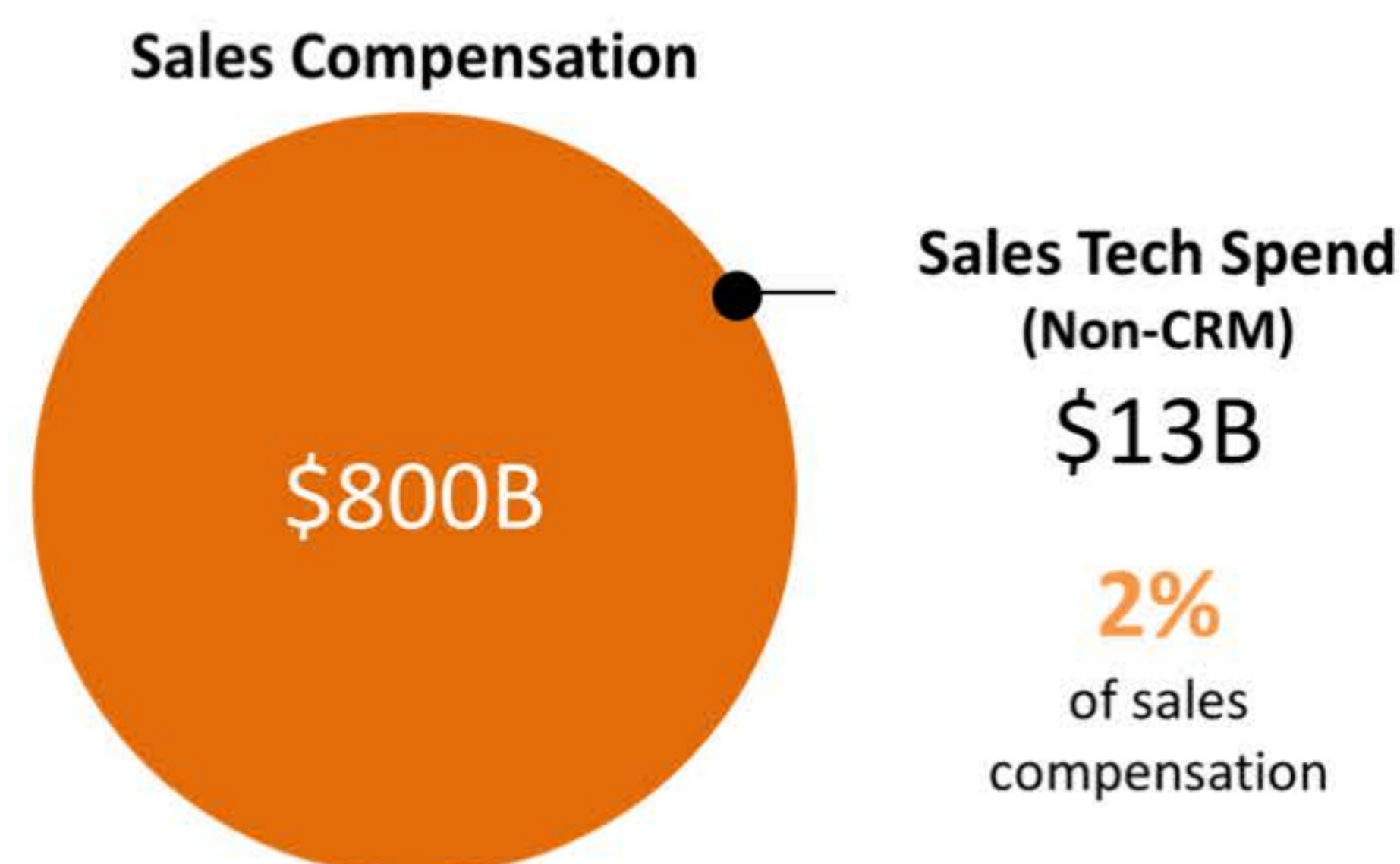
Sales Tech has Proven to be Effective

According to a study conducted by InsideSales, companies that spend more on sales acceleration technology close bigger deals and generate more revenue.

Average Spending vs. Top Revenue Spending

Spend per Sales Rep

$2,280 (Average Company)	$4,052 (Top 50% Revenue Company)

Y-axis: $4,500 / $4,000 / $3,500 / $3,000 / $2,500 / $2,000 / $1,500 / $1,000 / $500 / $-

Average Spending vs. Top Deal Size Spending

$2,280 (Average Company)	$4,319 (Top 50% Deal Size Company)

Y-axis: $5,000 / $4,000 / $3,000 / $2,000 / $1,000 / $-

Sales Tech Helps Close More Deals, Faster

While the software industry leads the way in annual spending on sales technology, industries from education to business services are spending over $1,000 per rep. Across these industries, sales technology is assisting companies to close more deals and shorten their sales cycles.

Communication, Data Vis., and Intel Spending

Spend per Sales Rep

$823 (Average Company)	$961 (Higher than 20% Close Rate Company)

Y-axis: $1,000 / $950 / $900 / $850 / $800 / $750

Intelligence and Communication Spending

$410 (Average Company)	$526 (Fastest 50% Sales Cycle Company)

Y-axis: $600 / $500 / $400 / $300 / $200 / $100 / $-

Source: InsideSales

LUMA

Introducing the Sales Tech LUMAscape

Our latest LUMAscape maps the Sales Technology landscape, organizing companies primarily by where they sit in the sales process. "Pre-Sale" represents capabilities utilized before a meeting takes place, "Sale" includes tools that are used to engage, monitor, and close a sale, while "Post-Sale" includes everything after the deal has been signed. The categories at the bottom of the LUMAscape, "Sales Content", "Data", and "CRM", represent capabilities that are leveraged throughout the full sales process.
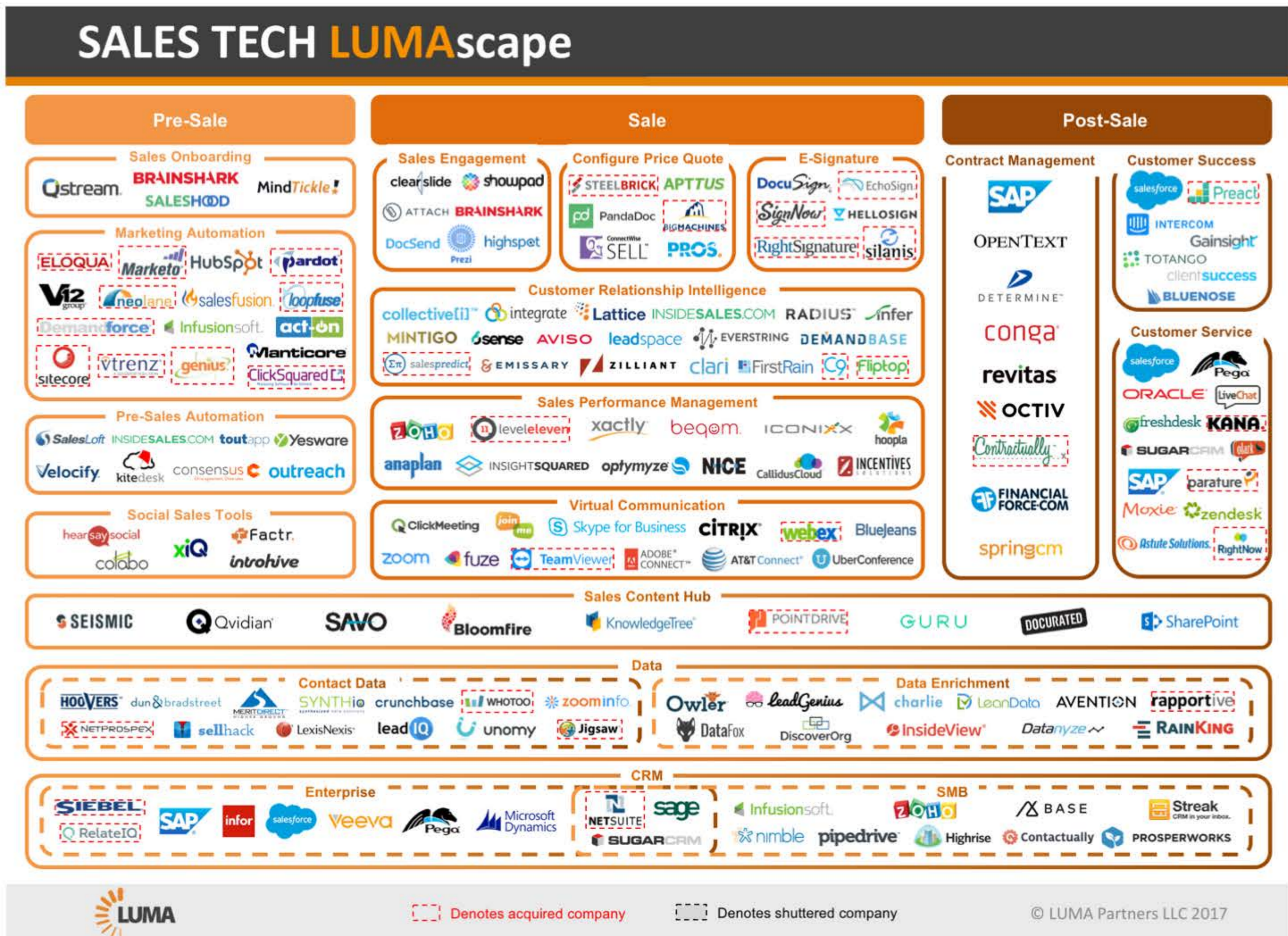
Sales Tools & Data Provide Efficiency to the Sales Process

The emergence of sales specific tools enables sales professionals to replace generalist tools with tools built for their purposes. Technologies such as video conferencing enable companies to save money, while others like sales engagement tools empower reps to leverage data to close more deals.

Enrichment Tools Make Data Actionable

Predictive tools analyze current leads using historical data (time to close, stage of sale, type of company) to determine which leads have the highest value, highest conversion, and ultimately which should be prioritized.

According to Salesforce, high-performing sales teams are 3.5x more likely than underperforming teams to use sales analytics and underperformers will increase their use of sales analytics by more than 180% over the next 12-18 months.

DO NOT CALL

🐦	Tweeted she left her job	🚩
⬇	Implemented competing product	🚩
✉	Marked sales email as Spam	🚩

CALL

|		
🐦	Tweeted to company for info	✅
📄	Downloaded 2 whitepapers	✅
🖥	Requested demo	✅

LUMA

The Post Sale is Moving from Reactive to Proactive

Before, customer service tools were developed to *reactively* service tickets entered by customers who already expressed they have an issue. Today, customer success tools enable companies to *proactively* manage their relationship with customers before an issue arises.

Customer success tools enable companies to respond in real time by monitoring the health of an account. This enables companies to prevent churn and expedite customer service.

THEN

Support Ticket

NOW
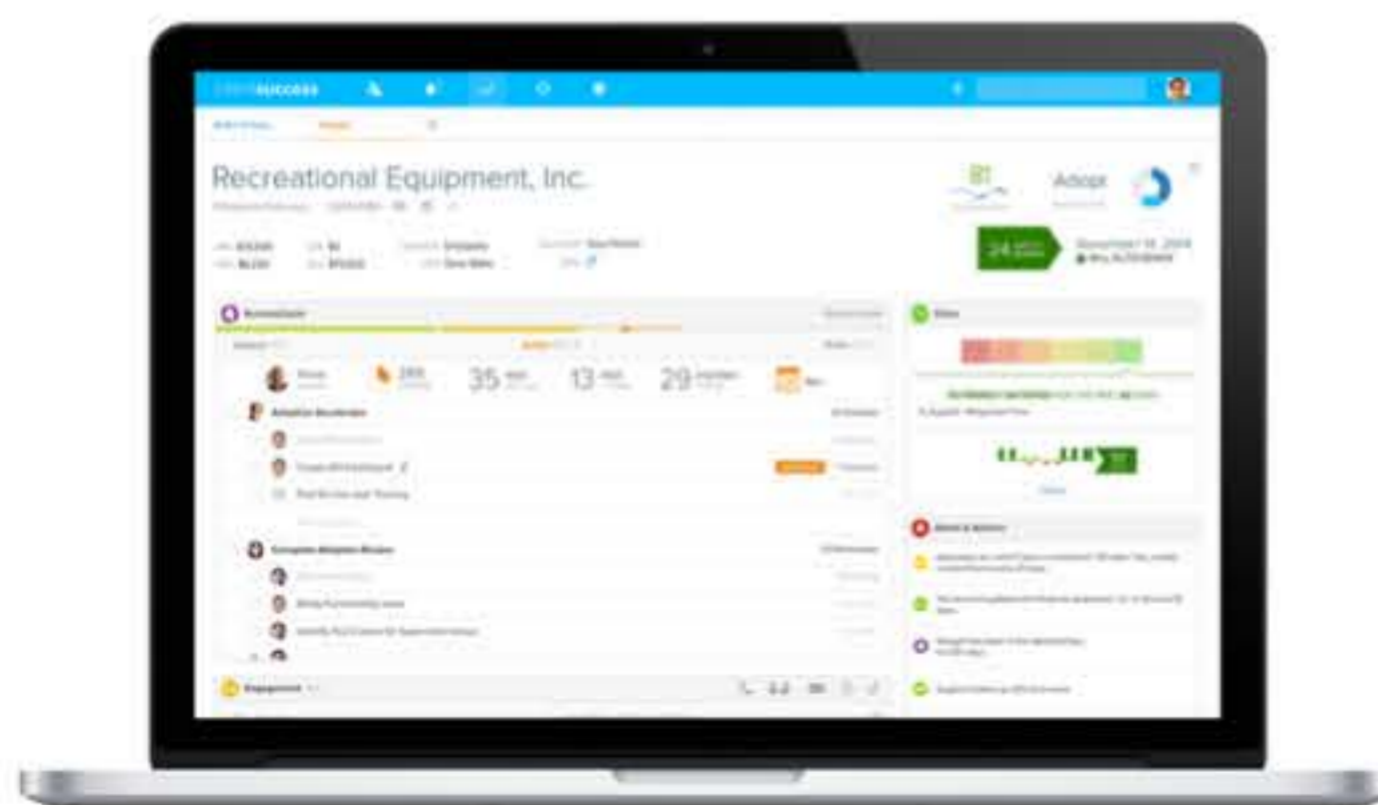
Real-Time Response:

1. Monitor Customer Health
2. Prevent Churn
3. Expedite Customer Service
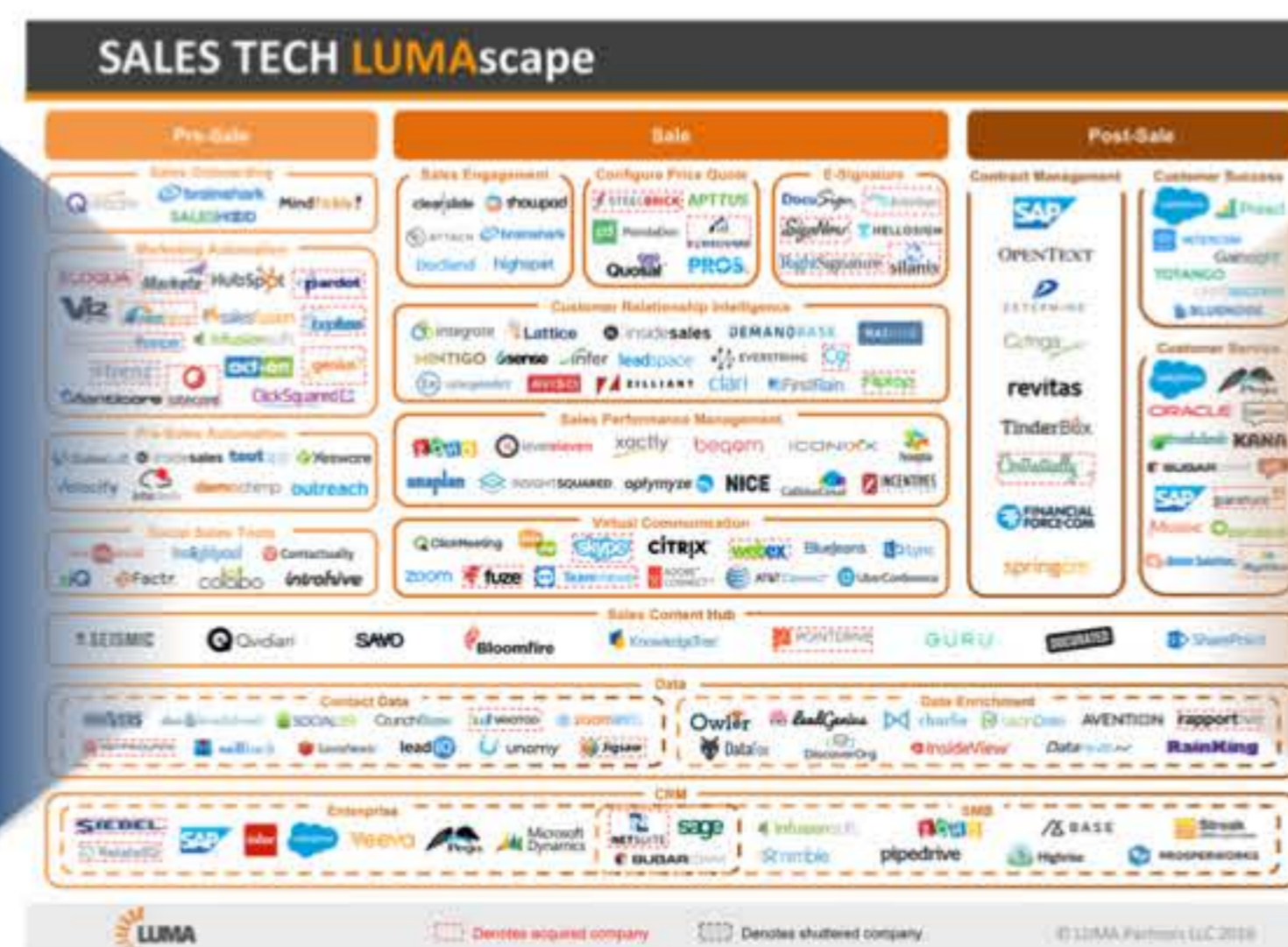
LUMA

Challenges & Opportunities Lay Ahead

As with any developing ecosystem, many challenges and opportunities lay ahead for Sales Technology. The greatest challenge will be adoption, as companies need to prove the technology is worth the cost, while sales leadership needs to convince its teams to use the technology. This can be particularly difficult in sales, as much of the existing technology can be seen as "big brother", rather than sales enablement. Yet, with a workforce that is continually shifting in both technical fluency and mobile access, it's easy to see an ecosystem ripe with opportunity.

We're Only in the First Inning

With over $25 billion already invested across thousands of companies in MarTech, it is easy to see how the Sales Tech sector could experience similar growth – if not more. We are still in the early days though and expect this landscape to shift as investment dollars continue to back new entrants and strategic buyers acquire new technology.

Natural Buyers

New Entrants

Increased Adoption

+

More Investment

=

New Tech

+

New Companies

LUMA

LUMA

CORPORATE PARTNERS

Aol.   **facebook**   **Google**   **neustar**

OmnicomMediaGroup   **ORACLE**®   **Singtel**

The mission of the LUMA Corporate Partners program is to provide education, insights and market development to all constituents of the digital ecosystem. LUMA's Corporate Partners are comprised of leading media, marketing and technology companies for whom LUMA's leadership team provides strategic advice on the latest industry trends and a fresh perspective to aid in making critical growth decisions. LUMA's proprietary insights, research, content and events initiatives afford personalized guidance and education at leadership off-sites, teach-ins and customer events.

If LUMA can help your organization sort through this complicated and dynamic sector, contact Gayle Meyers, CMO at Gayle@lumapartners.com.

LUMA

Access. Insights. Execution.

New York | Palo Alto