



AN OVERVIEW OF THE OFFICIAL LEADRESPONSEMANAGEMENT.ORG STUDY:

SKKU/MIT

REMOTE SALES INDUSTRY

RESEARCH STUDY

IN COLLABORATION WITH

INSIDESALES.COM & INFO USA

PRESENTED BY JAMES OLDROYD, PHD, PROFESSOR AT SKKU/MIT SLOAN SCHOOL

AT THE SALES 2.0 CONFERENCE

ON MAY 21ST, 2009 IN BOSTON, MASSACHUSETTS

DOUBLE TAKE

LOOK
LOOK-AWAY
RELOOK
JAW DROP

STUDYING THE EYE-POPPING TRENDS OF REMOTE SALES

FIGHT OR FLOP? These are the choices that the ailing economy has forced upon the struggling business world. It should be an easy question to answer, shouldn't it? Nobody stands with their fist pressed firmly against their heart, proudly proclaiming, "*Sir, I choose to flop!*" But many businesses are making just that statement through their continued discounting, that things really do need to change.

We're not afraid of Change. Nor do we shirk from the opportunities that Change inevitably brings at its side. And wanting to know what and where those new opportunities might be we employed the assistance of Doctor James Oldroyd, a renowned professor from MIT teaching out of its Korean affiliate, SKK University.

This overview contains his latest findings and offers an acute insight into the growing trends of both outside and inside sales. More simply put, this study contains answers for those who wish to fight on.

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PEOPLE TALK ABOUT THE BAD ECONOMY AS IF IT'S BREAKING NEWS.

Almost as if there's safety in being aware of the monster outside the door. You should know that it's there, but never open the door to face it. How is this attitude possibly going to help the situation? Talk isn't just cheap, it's pointless. We've decided to leave the talk to the timid while we press forward in search of real answers backed by the world of academia.

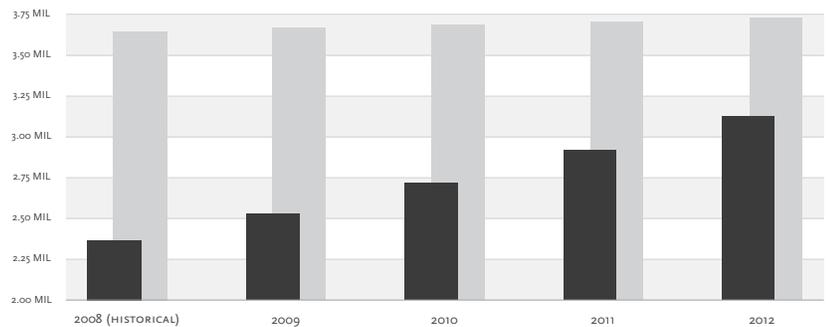
INDUSTRY GROWTH

So how is the current economic climate affecting the world of sales? Doctor Oldroyd found that companies, both big and small, are shifting to remote sales. Even industries that rely heavily on the face-to-face sale are seeing a dramatic increase in remote selling tactics.

Notice how the outside sales growth rate has nearly frozen in its tracks, creeping along at .5% annual growth. Meanwhile, companies are adding inside sales departments at an unreal rate of 7.5% per year. By 2012, nearly 800,000 companies are expected to add remote sales positions to their sales departments based on current trends. ❶

REMOTE SALES INDUSTRY STUDY

REMOTE SALES VS. OUTSIDE SALES PROJECTED GROWTH RATE (□/■)



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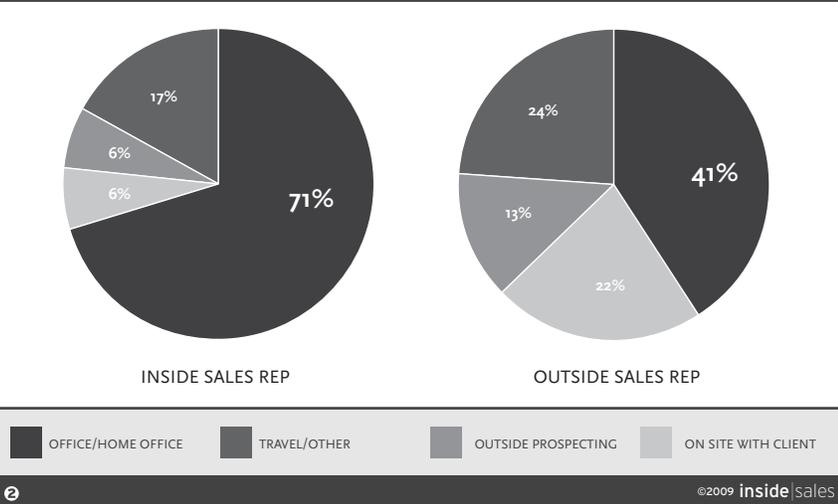
REP TIME ALLOCATION

We had Dr. Oldroyd look into how sales reps spend their time. Thanks to *infoUSA*, he was able to get his hands on thousands of responses from sales organizations, detailing their reps' time allocation. Interesting to note: 41% of outside sales activities are done over the phone, either in the home office or the company office. ❷

In summation, outside sales responsibilities are converging into a more remote sales-related role. It's vital to enable your outside sales team the ability to implement inside sales tactics.

REMOTE SALES INDUSTRY STUDY

SALES REPRESENTATIVE ACTIVITY ALLOCATION



❷

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Doctor Oldroyd's data has shown that the future of sales will be heavily entrenched in remote selling tactics. And because the evidence in the growing trends is so strong, we wanted to know how to do it best. So, we asked Dr. Oldroyd if he would study the effectiveness of multimedia responses, and how best to use it to your advantage. Good news. He said yes.

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RESPONSE TO MULTIMEDIA STUDY

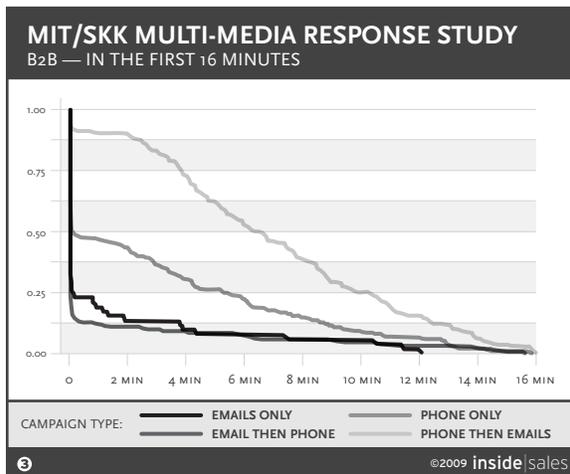
Dr. Oldroyd was allowed access to over 1 million leads for this section of research. His goal: Compare the effects of different multi-media response approaches. The data that returned is certain to become priceless information for those companies eager to adapt to change. All findings have been broken down into 3 response periods, covering both business-to-business (B2B) and business-to-consumer sales (B2C).

16 MINUTE RESPONSE EFFECTIVENESS

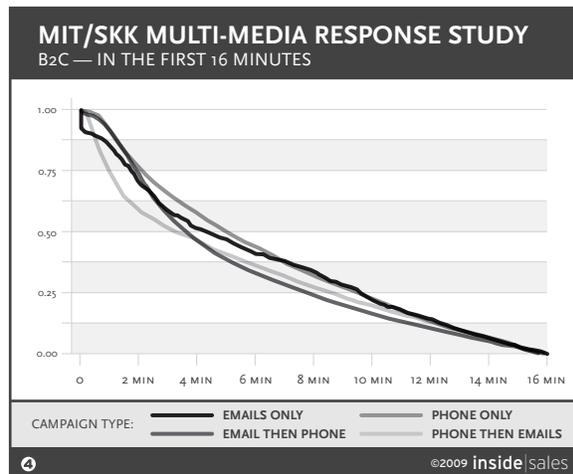
B2B: When it comes to B2B selling, a staggering 90% of all lead qualifications come from the phone first/email second campaign approach. That means if you don't have the tools to respond quickly, you've already dramatically lowered your chances of qualifying a lead. And by "quickly" we mean under 16 minutes, as opposed to the status quo of 24 to 48 hours. ③

B2C: It's all about speed here. Consumers can be fickle. The faster you contact the consumer after they show interest, your chances of qualifying them are dramatically increased. It's vital to contact them while their curiosity is still piqued. ④

Respond first by phone, second by email for best results



Respond as fast as possible—media used is about the same

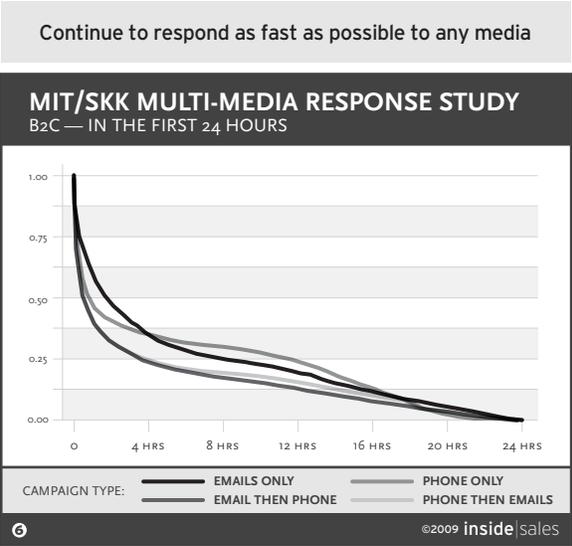
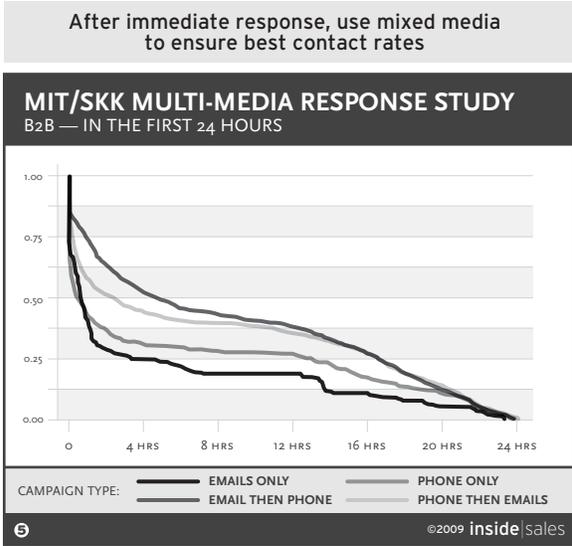


24 HOUR RESPONSE EFFECTIVENESS

B2B: If you don't have the tools to reach your lead within the 20 minute marker, it's best to adopt a more aggressive mixed-media approach, i.e. phone, email, fax. ③

B2C: Again, when it comes to the consumer, it's still all about speed. After 20 minutes of the initial interest being shown, the likelihood of qualifying a lead significantly drops each night, leveling off in the day, only to drop again at night and so on, and so forth. This creates a downward staircase effect that leads to nothing. Literally, no results. ④

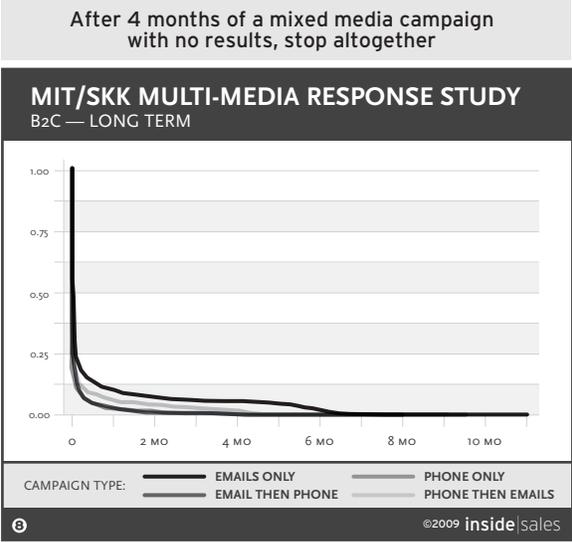
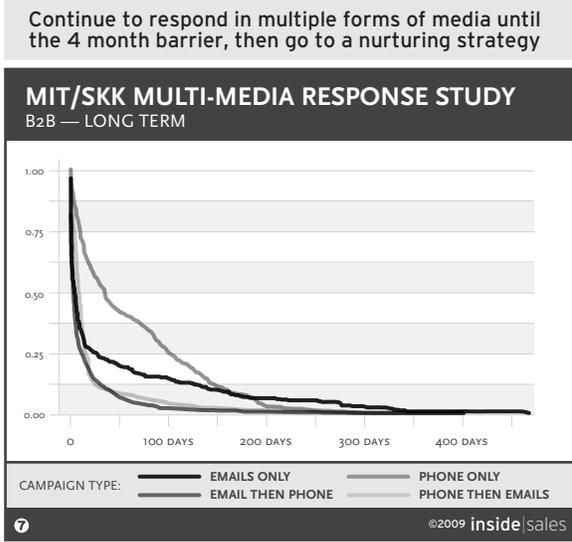
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LONG TERM RESPONSE EFFECTIVENESS

B2B: Dr. Oldroyd discovered that if you don't reach your lead within 24 hours, the best response to the various media campaigns comes from the good old-fashioned phone call. Businesses tend to do more research than consumers before making their purchases; so there's nothing wrong with an extended phone campaign, here. However, after 4 months of calling, the effectiveness of a phone call becomes no more effective than other media strategies. At this point, it would be wise to go to the most cost-effective, lead-nurturing program you have available.

B2C: Data shows that in the long-term, the campaign method you choose is less significant. The consumer usually doesn't research their potential purchase as long as businesses do. If you're still getting snubbed after 4 months of a mixed-media campaign, drop it all together. They're just not that into you. Chin up.



“ IT APPEARS THAT INDUSTRIES TAKE ON PERSONAS OF THEIR OWN AND EACH NEED TO BE TREATED UNIQUELY ”

RESPONSE TIMES BY INDUSTRY

Dr. Oldroyd examined the B2B response times by industry. We found it interesting how each industry responded differently to sales reps' response times. It appears that industries take on personas of their own and each need to be treated uniquely. The response times can be broken down into 3 areas:

HEALTH CARE/FINANCIAL PURCHASES

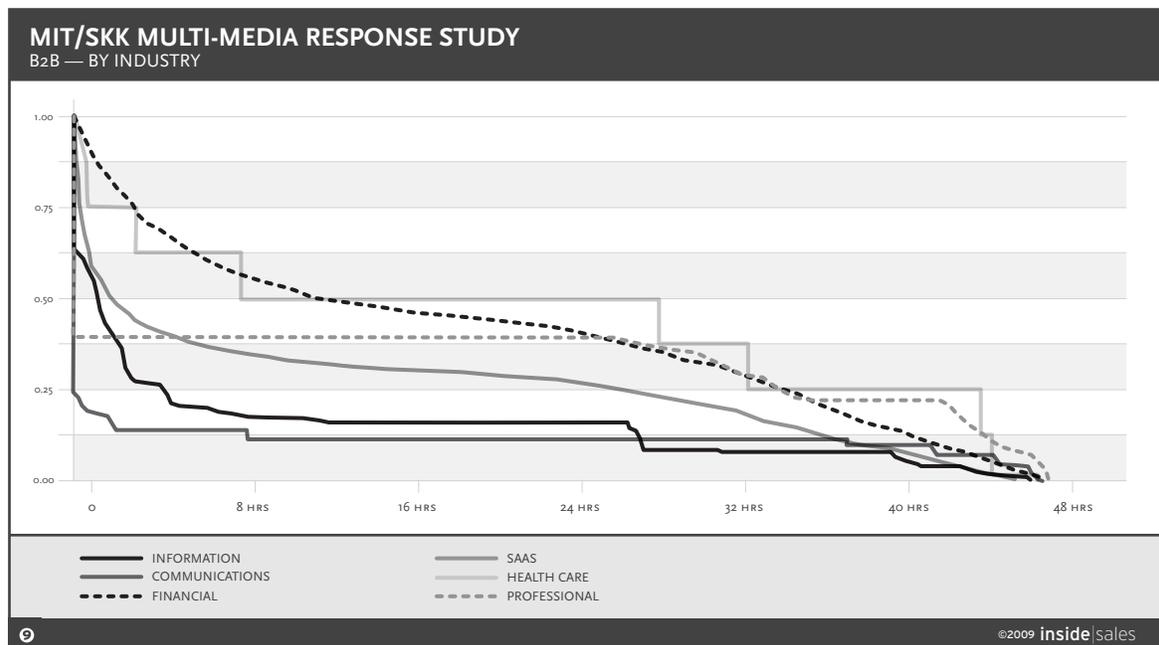
1. In the industries of Health Care and Financial Purchases, the courting timeline is extended. After sifting through the data, we've come to the conclusion that businesses spend more time researching their purchase because the implications carry long-lasting effects.

INFORMATION TECHNOLOGY AND COMMUNICATION

2. IT and Communications are quicker to buy. The evidence leads us to believe that businesses are primarily concerned with saving time. Time is money, and people are interested more in spending time with their new purchase, rather than spending time looking for one.

SERVICE

3. The Service industry falls somewhere in the middle. We believe this to be dependent on how commodity based the service is.



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EMPOWERING REASSURANCE

WE DON'T PRETEND TO HAVE ALL THE ANSWERS. And this study certainly won't coddle all your woes. But what it does show us is that the current economic climate calls for stronger practices in cost effectiveness and time efficiency. Yes, that sounds obvious, so obvious that businesses have adopted that sort of talk as a mantra. But they do so without implementing the practices they preach.

It's up to those who hold the decisive power within a company to guide their business through tough times, by making tough decisions. Every so often they receive a freebie when important information is thrust into the light and obvious to see. This study is that freebie. If you plan accordingly by arming your sales team with the proper tools to adapt to contemporary trends, you will better prepare your company for an uncertain economic future.

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What has always set *inside|sales* apart is its ability to remain on the cutting edge of product innovation. Unafraid to explore new technology and willing to be an industry trailblazer, *inside|sales* continues to add award-winning software to its arsenal of lead management, dialers, and voice-messaging tools—setting itself apart as a vital component in the world of Remote Sales.

Our influence has reached beyond our headquarters in Provo, Utah, extending across the globe to assist over 450 companies in reaching their unique and individual goals. This is the point where most companies would shamelessly name drop. Not us. If Dun & Bradstreet, Omniture, and HP want to tell you how we've helped them, then so be it. We'll take the high road.



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office: 801.853.4090
toll-free: 866.342.5370
fax: 801.853.4089



www.insidesales.com
sales@insidesales.com



34 East 1700 South
Novell Building A, Suite 113
Provo UT 84606

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