



2014 SALES AND MARKETING METRICS STUDY

For the Transportation
Logistics and Supply
Chain Industry

Compiled and presented by:



The Transportation Marketing and Sales Association (TMSA) provides knowledge, connections, recognition, and solutions to marketing, sales, and communications professionals in the transportation and logistics industries.

2014 marks the Transportation Marketing & Sales Association's first annual sales and marketing metrics study for the transportation, supply chain, and logistics industries. The study results and analysis are compiled and presented by our partner Sales Outcomes.

The goal of this study is to help sales and marketing practitioners and business leaders gain a better understanding of key sales and marketing metrics, how the metrics change over time, and best practices for marketing and sales success.

Beginning with the 2015 study, we will be able to report on trends and their implications for sales and marketing organizations.

About the Study

This survey was launched via an email invitation to TMSA members and other sales and marketing practitioners in the logistics, supply chain, and transportation industries in mid-April 2014.

The survey instrument was a confidential, Web-based survey consisting of 15 demographic questions, 18 sales questions, and 13 marketing questions.

The 2014 study received the support of 76 respondents. Of these, 53 provided useable responses that are included in this analysis. Over 82% of participants in the survey hold the position of director-level and higher. The goal was to receive a minimum of 125 qualified responses. A minimum of 125 responses is required for us to be able to provide metrics by segment (e.g., Truckload Brokerage, Truck Load Carrier, Warehouse Provider, etc.) and to mitigate potential statistical bias with certain questions. As such, this document contains only a subset of the survey questions.

A sample of respondents companies include:

- Saddle Creek Logistics Services
- Idealease, Inc
- FedEx Custom Critical
- Transplace
- Averitt Express
- The Suddath Companies
- BlueGrace Logistics
- TransCore Link Logistics
- LeSaint Logistics
- Ryder
- Hub Group
- Crowley
- GENCO
- OHL
- Americold
- PITT OHIO
- Maverick Transportation
- Southeastern Freight Lines, Inc
- ABF Multimodal

Metrics Highlights

Sales Metrics

- Inside Sales contributes almost 30% of sales revenue when deployed within a respondent company.
- 2013 sales results were better, or significantly better, than 2012 for 88% of respondents. 2014 sales results were expected to be better, or significantly better, for 76% of the respondents.
- Compensation and T&E make up an average 85% of sales budgets: Training, Learning, and Development is under-weighted by about 50%, as compared to other industries.
- A third of sales headcount within respondent companies achieved 50% or less of quota.

Marketing Metrics

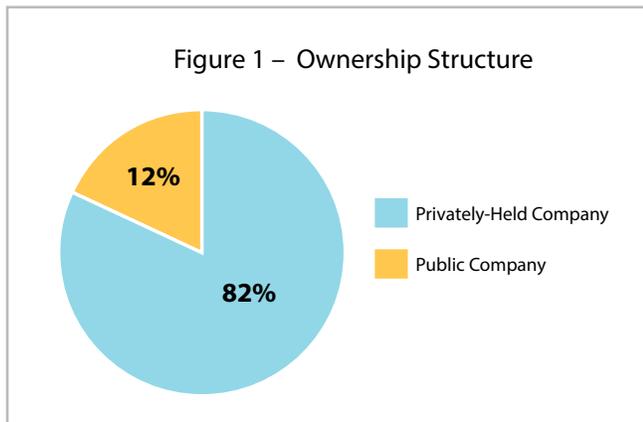
- Slightly more than 50% of respondents reported increased marketing budgets for 2013 and 2014.
- Print and Online advertising make up an average of 38% of the marketing program budget.
- A large portion of marketing activities are performed in-house, as opposed to outsourced.



Demographics

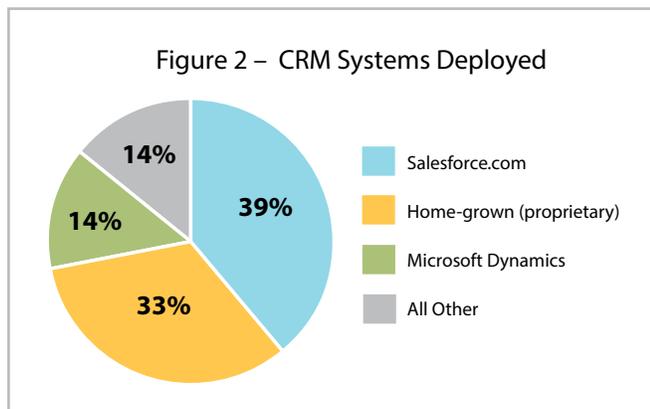
Ownership Structure

Not surprisingly, a majority of the respondents were privately held firms, which mirrors the type of ownership in our industry overall. We expect the percentage of privately held firms to increase for the 2015 study as we increase the number of respondents. (Figure 1)



CRM Systems Deployed

Salesforce.com is the clear CRM system leader among survey respondents at 39%, followed by Home-grown systems at a third of the total. 95% of respondents indicated that they used a CRM system of some type. However, 33% said they were considering deploying a new CRM system in the next 12 months. (Figure 2)

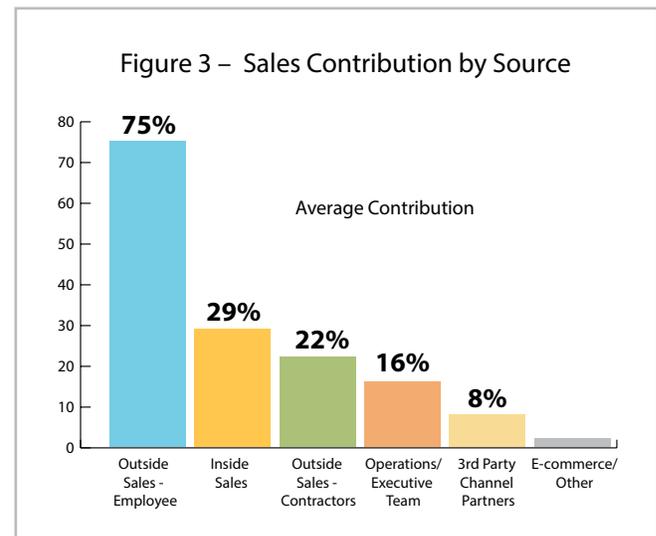


“No respondent indicated that 2013 or 2014 projected sales results were lower than prior year.”

Sales Metrics

Sales Contribution by Source

Company outside sales employees contribute on average about 75% of the revenue for our respondent companies that had outside sales. Inside sales contributed an average of 29% of revenue for those companies that had inside sales. (Figure 3)



Note: Percentages reflect the average contribution of the particular revenue source cited by the respondents. Not all sources cited by all respondents.

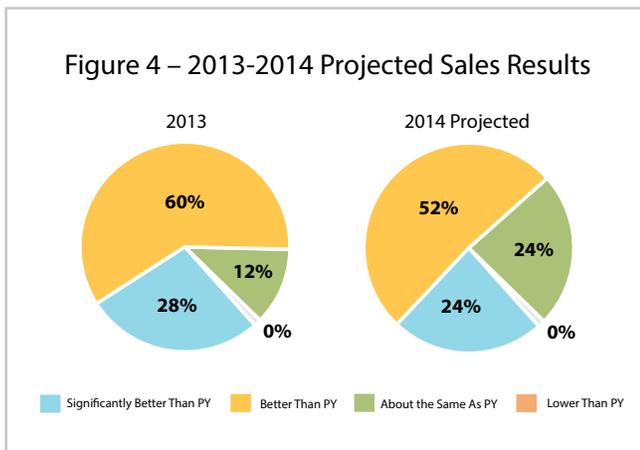
62% of respondents indicated that they have inside sales organizations (size of organization was not asked). This is not surprising in our view, as hiring outside sales people is increasingly expensive and time consuming. We are also hearing that many companies are struggling to launch inside sales organizations due to friction with outside sales.



2013 and 2014 Projected Sales Results

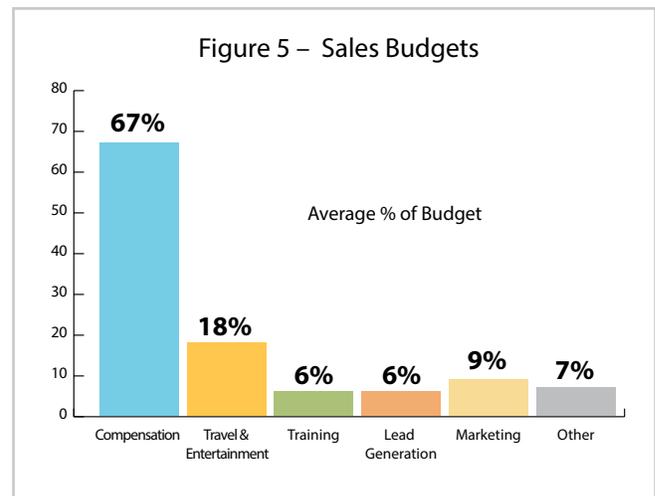
Responses to the sales results questions provided some of the most interesting study observations. **No respondent indicated that 2013 or 2014 projected sales results were lower than prior year.** Anecdotally we've heard that 2013 was a strong year for most companies in our industries. For 2013, 60% of the respondents indicated that sales results were significantly better than 2012, with 52% projecting 2014 was going to be significantly better than 2013. 88% of respondents indicated that 2013 sales results were better, or significantly better, than 2012. 2014 projected sales results were expected to be better, or significantly better, than 2013 for 76% of the respondents. The drop between 2014 projected and 2013 shifted to those saying that 2014 projected results would be about the same as projected, and 2013 shifted to those saying that 2014 projected results would be about the same.

The key takeaway for sales and business leaders is that the market as a whole experienced robust growth. To that end, organizations should look closely at their sales organizations to determine how they actually got to their numbers – a related question on this study identified that a third of sales headcount achieved less than 50% of quota. The strengthening economy, hours of service regulations, expanding domestic oil production, which distorted capacity in rail, truckload and LTL, appears to have "floated all boats." (Figure 4)



Sales Budgets

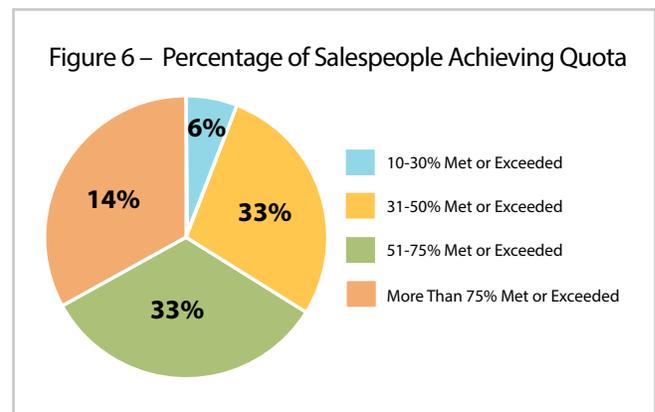
Compensation (includes base salaries, commissions, bonuses) comprised 67% of total sales budgets, followed by 18% for Travel & Entertainment, collectively representing 85% of total sales budgets. Training (includes Leading and Development) at 6% is under-weighted in sales budgets as compared to other industries with complex or solutions sales. (Figure 5)



Percentage of Sales People Achieving Quota

This question is intended to understand how evenly individual quota attainment achievement occurs in the sales organization. This question does not address if the overall organization made quota. The results are stark and reflect what we have seen in other industries. 33% of sales people achieved 75% of quota or higher, with an equal percentage achieving between 51% and 75% of quota. An equal third achieved less than 50% of quota. Furthermore, the results suggest that a small portion of the sales organization is generating most of the sales results.

The implication is that a sizeable portion of the sales organization may not be covering their cost of payroll. What we don't know is, what percentage of the sales organization were new in their roles, but we estimate less than 20%. We'll ask more detailed questions on this topic in the 2015 study. (Figure 6)



Marketing Metrics

Marketing Budgets

Unlike sales results that saw no drop in 2013 or 2014 projected, 6% of respondents reported lower marketing budgets in 2013, and 3% reported lower marketing budgets for 2014.

53% had marketing budget increases in 2013, compared to 88% who had sales result increases in 2013. 59% had marketing budget increases in 2014. This suggests that marketing budget increases lag sales results.

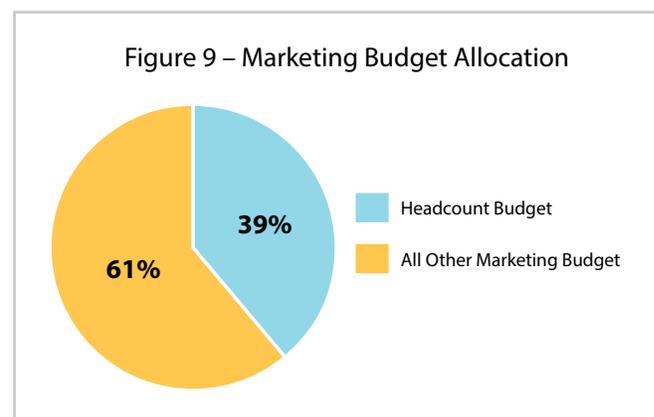
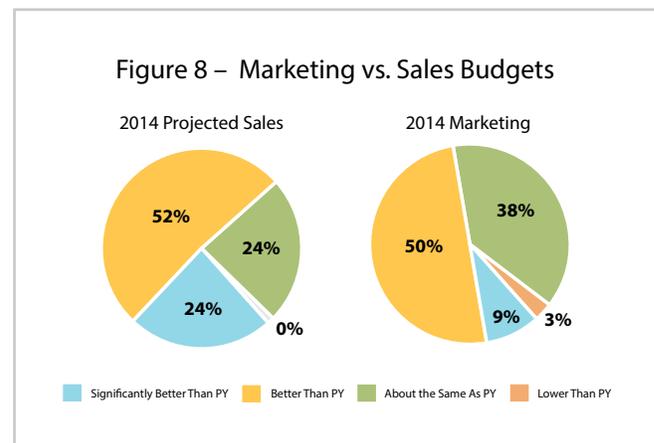
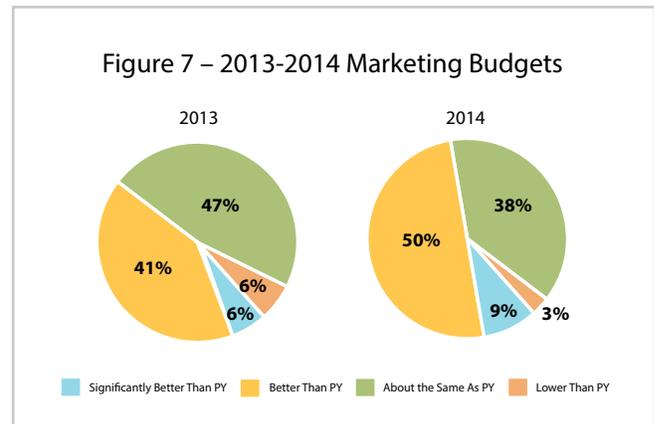
Overall, 2013 and 2014 have been good to marketing budgets with a few exceptions. The challenge for marketers will be how to increase marketing budgets in good economic conditions and bad. We believe that will only happen if marketers continue to focus on demonstrating ROI of their marketing investments. (Figure 7)

Marketing Budgets vs. Sales Budgets

Comparing 2014 projected sales results to 2014 marketing budgets increases, 76% expected better sales results in 2014, but marketing budget increases were reported at only 59%. This suggests that the overall economic environment or sales productivity are bigger drivers for growth rather than increased marketing budgets. Assuming the conclusion, marketing practitioners should challenge themselves as to what investments and activities can help deliver improved sales results in good times and bad, as well as what activities can help increase sales results faster than the market is growing. (Figure 8)

Marketing Budget Allocation

Respondents reported that marketing budgets are allocated approximately 60% to programs and 40% to headcount, which is in line what B2B companies in other industries report. Readers will note that a later question identifies that a high proportion of marketing activities are performed in-house as opposed to being outsourced. We have observed that marketing organizations within and outside our industries are increasingly outsourcing marketing activities due to employer reluctance to add marketing headcount. As such, we expect that the allocation to marketing headcount to shrink in the future as a percent of the overall marketing budget. (Figure 9)



“The challenge for marketers will be how to increase marketing budgets in good economic conditions and bad. We believe that will only happen if marketers continue to focus on demonstrating ROI of their marketing investments.”

How Marketing Metrics Are Tracked

The challenge of measuring marketing ROI appears to correlate to how metrics are tracked. With over 60% of marketing program budgets being allocated to demand/lead generation, this question focused primarily on the connection to sales organization. We sorted the responses

by those that are mostly tracked in an automated fashion. We found that regardless of the metric, more than 50% of the metrics are not tracked or are tracked in a mostly manual fashion. The most surprising response is that over 25% of respondents don't track dollar value of opportunities created or won from marketing leads. (Figure 13)

Figure 13 - How Marketing Metrics Are Tracked

Answer Options	Do Not Track/ Not Sure	Mostly Manual Tracking	Mostly Automated Tracking
# of Leads converted to sales opportunities	21%	32%	47%
# of Leads given or assigned to sales people	24%	32%	44%
# of inquiries or Leads generated from each marketing initiative	24%	35%	41%
Dollar value of sales opportunities created from marketing leads	26%	38%	35%
Dollar value of sales opportunities won from marketing leads	29%	41%	24%
# of Leads sales people follow up within a reasonable period of time.	35%	41%	24%

ROI Marketing Tracking

The challenge of tracking Marketing ROI consistently ranks top of mind by TMSA members. The responses to this question provide insight as to why it is so challenging and how far we have to go.

The table below is sorted in descending manner by the marketing channel that respondents have only a basic ability to track ROI. For example, 72% of respondents said tracking advertising ROI was at the basic level – not surprising due to the nature of the marketing channel. Respondents best ROI tracking was in email marketing, with 48% indicating it was very good and 10% saying it was best-in-class.

What is interesting about the results is how the marketing budget spend is allocated. From the Select Budget Allocation Detail section in this study, Online Advertising, Events, and Print Advertising make up almost 60% of the marketing program budget. Correspondingly, only 7% of respondents are very good in measuring Print Advertising marketing ROI, 25% are very good at measuring Trade Show and Conferences ROI, and 54% are very good, or best-in-class, at measuring online advertising ROI. The overall implication of the responses to this question are that tracking ROI from the corporate Web site, online advertising, and email marketing are well-developed. However, for “non-digital” marketing spend, the gap widens significantly in being able to track very good or best-in-class ROI. (Figure 14)

Figure 14 - Marketing ROI Tracking

Answer Options	Basic	Good	Very Good	Best-In-Class
Print Advertising	72%	21%	7%	0%
Sponsorships	66%	21%	14%	0%
Social Media	43%	32%	14%	11%
Trade Shows and Conferences	38%	38%	25%	0%
Customer Events	37%	37%	20%	7%
Outbound Telemarketing	33%	28%	33%	6%
White Papers	33%	33%	33%	0%
Other Content Marketing	33%	41%	22%	4%
Corporate Website	25%	25%	41%	9%
Online Advertising	21%	25%	43%	11%
Email Marketing	19%	23%	48%	10%

“We found that regardless of the metric, more than 50% of the metrics are not tracked or are tracked in a mostly manual fashion.”

Summary

Overall, what we see from the 2014 survey and study is encouraging. We had a healthy cross-section of respondents ranging including freight brokers, freight forwarders, truckload and LTL carriers, 3PLs, warehouse providers, truck leasing firms and expeditors.

For the first time in our industry, business, sales and marketing leaders can begin to benchmark on a confidential basis their own organization's sales and marketing metrics versus the industry. This insight will help organizations improve the execution of sales and marketing plans and identify how to invest for future growth.

Expanding the number of respondents to a minimum of 125 is a priority so that we can provide detailed analysis within industry segments and, to begin reporting on trends. The survey will continue to be published in summary form free to TMSA members and, at a modest cost to non-TMSA members. Survey respondents receive a complementary copy of the survey and beginning in 2015, they will also receive analysis of additional questions and response analysis within their industry segment.

In closing, we look forward to helping push toward sales and marketing excellence not only for firms like yours, but also for our industry as a whole.



About Sales Outcomes

Sales Outcomes is a global consulting and services firm based in Miami, Florida that helps leading business-to-business companies accelerate performance through improved marketing and sales execution. The firm's partners and principals have extensive experience working with companies in Supply Chain, Logistics & Transportation, Hi-Tech, and Business Services.

Sales Outcomes developed the survey jointly with TMSA, and then managed the survey execution, analysis and authorship of the study.

About the Transportation Marketing & Sales Association

The Transportation Marketing and Sales Association (TMSA) provides knowledge, connections, recognition and solutions to marketing, sales, and communications professionals in the transportation and logistics industries. Member companies include motor carriers, railroads, air carriers, ocean lines, 3PLs, OEMs, passenger transit organizations, media and suppliers, and account for more than \$300 billion in revenue each year. For more information, visit TMSAtoday.org.

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