TMSA
Transportation Marketing & Sales Association

2017 SALES & MARKETING METRICS STUDY

For the Transportation, Logistics, and Supply Chain Industry

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.

Compiled and presented by:

SalesOutcomes
Marketing & Sales Execution

Cooperation and support from:

TIA Transportation Intermediaries Association

IANA Intermodal Association of North America

Transport Topics

The year 2017 marks the Transportation Marketing & Sales Association's third annual sales and marketing metrics study. The study design, results, and analysis are compiled and presented by our research and consulting partner, Sales Outcomes.

The Transportation Intermediaries Association (TIA), the Intermodal Association of North America (IANA), and *Transport Topics* magazine promoted particpation in this study.

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.

About the Study

This survey was conducted between January and May 2017 via an email invitation to TMSA, TIA and IANA members and other sales and marketing practitioners in the logistics, supply chain, and transportation industries.

The survey instrument was a confidential, Web-based survey consisting of 16 demographic questions, 20 sales questions, and 20 marketing questions.

The 2017 study received the support of 151 qualified respondent companies versus 145 respondents in the prior study. Over 81% of participants in the survey hold the position of director-level and higher. TMSA members will have additional question summaries available during webinars, conferences and seminars, but this study contains only a subset of the survey questions.

A sample of respondent companies include:

- Covenant Transport
- Landair
- Lynden
- BlueGrace Logistics
- Momentum Transportation
- LeSaint Logistics
- Kenco Logistics
- NFI
- YR
- Transplace
- Matson
- TransCore Link Logistics
- Schneider
- Celadon
- iTN Worldwide
- Maersk Line
- Southeastern Freight Lines
- Ryder

Metrics Highlights

Sales Metrics

- Inside Sales contributes 41% of sales revenue when deployed within a respondent company, a 2-point decrease from prior year.
- Sales results for 2016 were better, or significantly better, than 2015 for 67% of respondents.
- Compensation and T&E make up an 91% of average sales budgets: Training, Learning, and Development at 5% is under-weighted by about 50%, as compared to other industries.
- Forty-nine percent of sales headcount within respondent companies achieved 50% or less of quota.

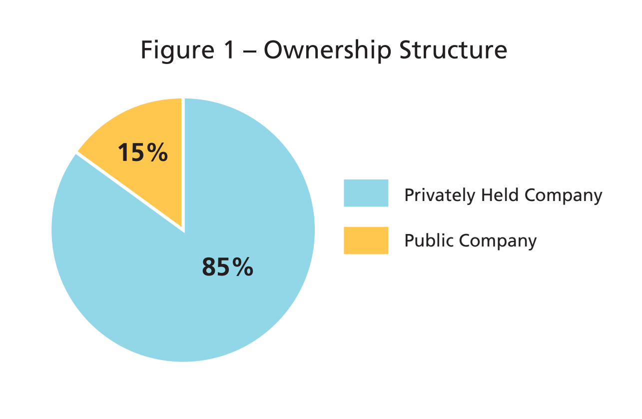
Marketing Metrics

- 46% of respondents reported increased marketing budgets for 2016, as compared to 50% reporting increases in 2015.
- Print and Online advertising make up an average of 51% of marketing budgets, versus 34% from the prior study.
- Marketing content design activities continue to be heavily outsourced, while media and public relations is performed in-house about 75% of the time.

Demographics

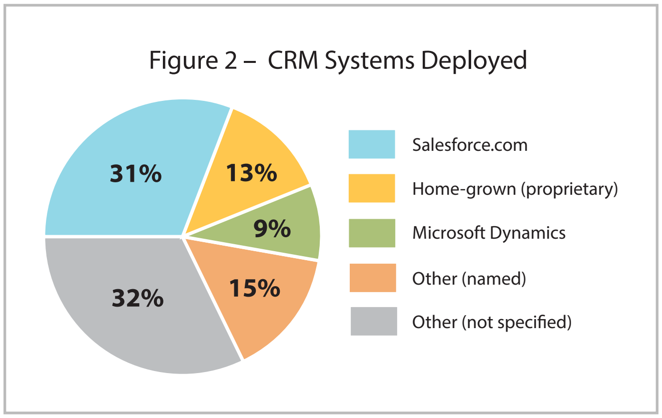
Ownership Structure

Not surprisingly, 85% of the survey respondents were privately-held firms, which mirrors the type of ownership in our industry overall. (Figure 1)



CRM Systems Deployed

Salesforce.com continues to be the named CRM system leader among survey respondents at 31%, followed by Homegrown systems at 32% of the total. Sixty percent of respondents indicated that they used a CRM system of some type. About 25% said they were considering deploying a new CRM system in the next 12 months. Other CRM systems mentioned by the respondents include Hubspot, Sage, and Lanetix. Transportation Management systems such as TMW were also mentioned. (Figure 2).

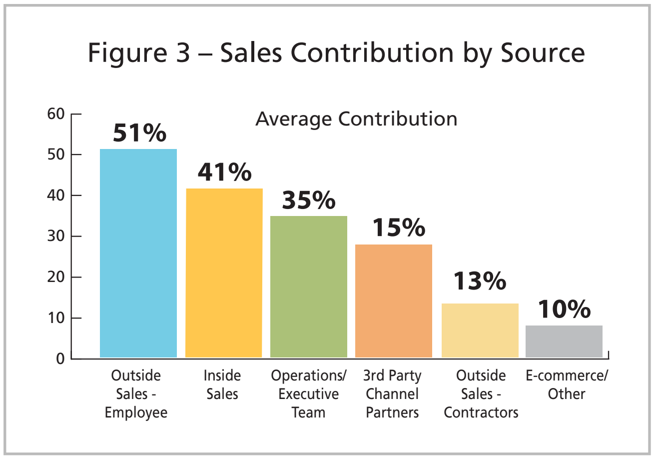


73% of respondents have an inside sales organization.

Sales Metrics

Sales Contribution by Source

In last year's study, company outside sales employees contributed on average about 48% of the revenue for our respondent companies that had outside sales teams. This year, outside sales employee contributions were reported at 51%. Inside sales contributed an average of 41% of revenue for those companies that had inside sales, a slight decrease from 2015. (Figure 3)



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

Seventy-three percent of respondents indicated that they have inside sales organizations versus 75% indicated as such in the prior study. Note that the term Inside Sales is used liberally within the industry. The Inside Sales "label" can represent a broker, a lead generation specialist, inside account manager, or sometimes a customer service manager. Setting brokers aside, generally we increasingly see firms building inside sales to be a professional sale team that do not travel. A minority of firms are building internal lead generation teams. In our view, hiring outside sales people is increasingly expensive and time consuming.

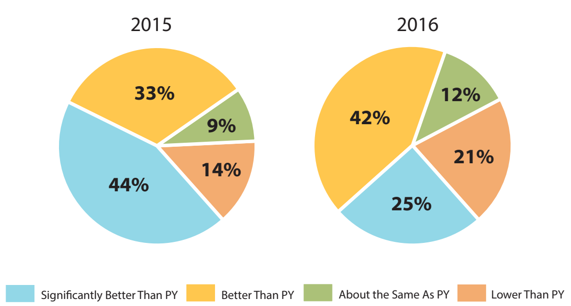
Projected Sales Results

Similar to last year's study, responses to the sales results questions provided some of the most interesting observations. Approximately 21% of respondents indicated that 2016 sales results were lower than 2015, versus 14% indicating that 2015 was lower than 2014.

Sales compression was also observed, as the number of firms indicating better sales results in 2016 slid to 67%, from 77% for 2015 versus 2014. Overall, respondents indicate that sales results are no longer as buoyant as they were during years 2012-2015.

The key takeaway for sales and business leaders is that sales organizations should look closely at their sales teams to determine how they actually achieved their results. With industry sales growth slowing, firms should focus on elements of sales and marketing execution if they hope to buck the trend. (Figure 4)

Figure 4 – 2015-2016 Projected Sales Results

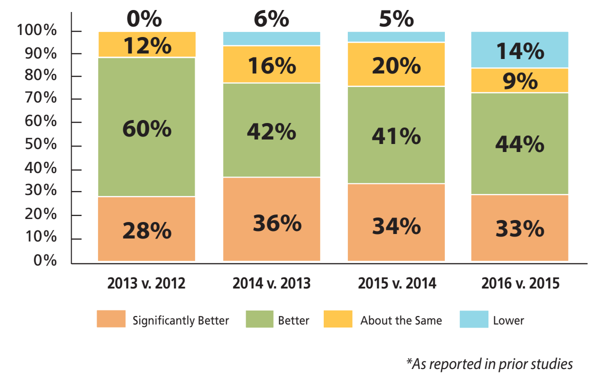


Overall, respondents indicate that sales results are no longer as buoyant as they were during years 2012-2015.

Sales Trends

The trend chart below compares reported sales results from this year's s study to reported results in prior years. The trend shows an that since 2013 an increasing percentage of firms have reported about the same or lower level of sales versus prior years. You will note than in 2013 no firms reported lower sales results versus 2012. In 2016, the percentage of firms reporting lower sales results versus 2015 increased to 14%. We have not broken out theses results by segment or industry, but our study participants are slightly weighted to transportation companies, (Figure 5)

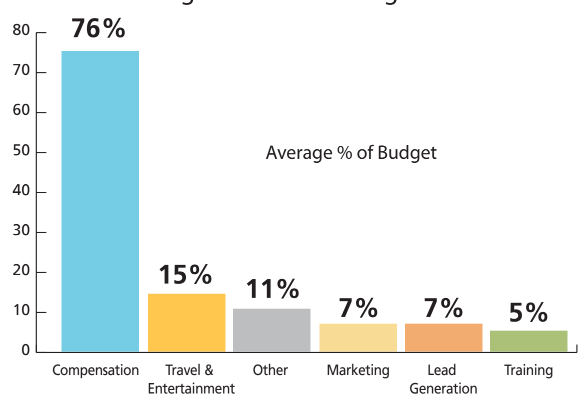
Figure 5 – Sales Results Trend



Sales Budgets

Compensation (includes base salaries, commissions, bonuses) comprised 76% of total sales budgets followed by 15% for Travel & Entertainment, collectively representing 91% of total sales budgets. Training (includes Learning and Development) at 5% is under-weighted in sales budgets as compared to other industries with complex or solutions sales. Note that for many brokerage operations, the sales organization may also perform operational duties (such as matching secured freight with capacity and customer service duties). We don't believe most firms break out compensation for this split of duties, so the percentage of compensation to budget may be elevated versus prior years. (Figure 6)

Figure 6 – Sales Budgets

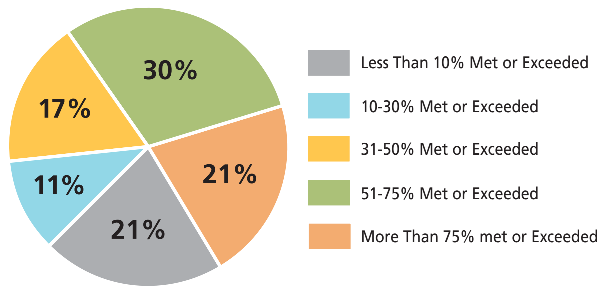


Percentage of Sales People Achieving Quota

This question is intended to understand how evenly individual quota attainment occurs in the sales organization. This question does not address if the overall organization made quota. The results continue to be stark and reflect what we have seen in other industries. Twenty-one percent of sales people achieved 75% of quota or higher, with 30% achieving between 51% and 75% of quota. Forty-nine percent achieved less than 50% of quota. 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%. (Figure 7)

Figure 7 – Percentage of Salespeople Achieving Quota



The implication is that a sizeable portion of the sales organization may not be covering their cost.

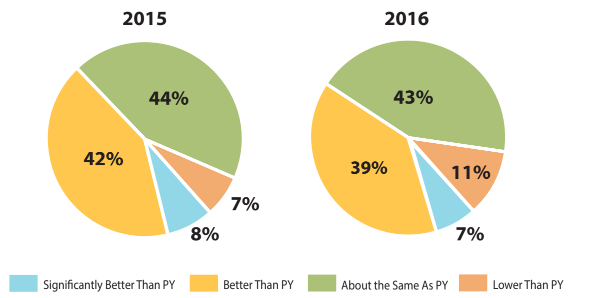
Marketing Metrics

Marketing Budgets

Eleven percent of respondents reported lower marketing budgets for 2016, versus 7% for 2015. Forty-six percent and 50% reported marketing budget increases for 2016 and 2015, respectively.

Overall, marketing budgets appear to have remained flat for most of our respondent companies. The challenge for marketers continues to 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 8)

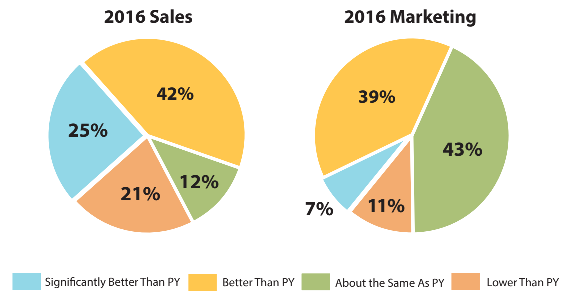
Figure 8 – 2015-2016 Marketing Budgets



Marketing Budgets vs. Sales Budgets

Comparing 2016 projected sales results to 2016 marketing budgets increases, 67% expected better sales results in 2016, but marketing budget increases were reported at only 46% of firms. 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 9)

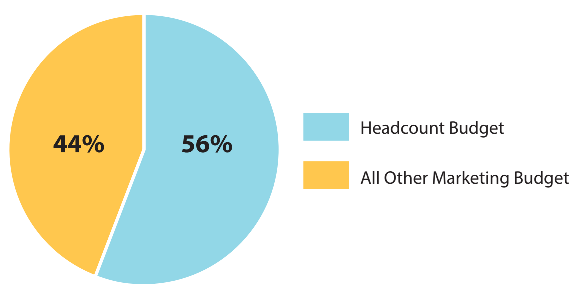
Figure 9 – Marketing vs. Sales Budgets



Marketing Budget Allocation

Respondents reported that marketing budgets are allocated approximately 44% to programs and 56% to headcount, which is in line with 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 the allocation to marketing headcount to shrink in the future as a percent of the overall marketing budget. (Figure 10)

Figure 10 – Marketing Budget Allocation



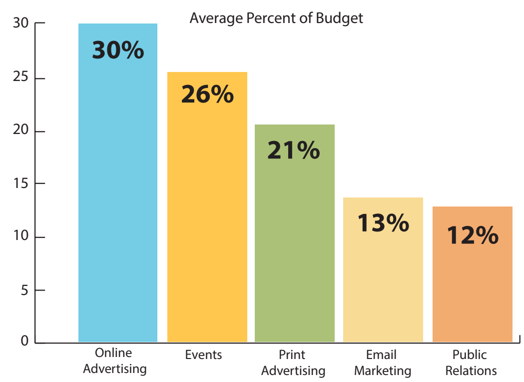
> **"The challenge for marketers will be how to increase marketing budgets in good economic conditions and bad. We believe that will only happen if marketers continue to focus on demonstrating ROI of their marketing investments."**

Select Budget Allocation Detail

Within program (non-headcount) budgets, online and print advertising made up 51% of the budget, at 30% and 21% respectively. Interestingly, we hear that both types of advertising continue to be the most difficult to measure ROI. For most firms in our industries, lead generation from advertising, except for transactional sales (e.g., truckload brokerage), appears limited. (Figure 11)

Online and Print Advertising make up 51% of Marketing program budgets.

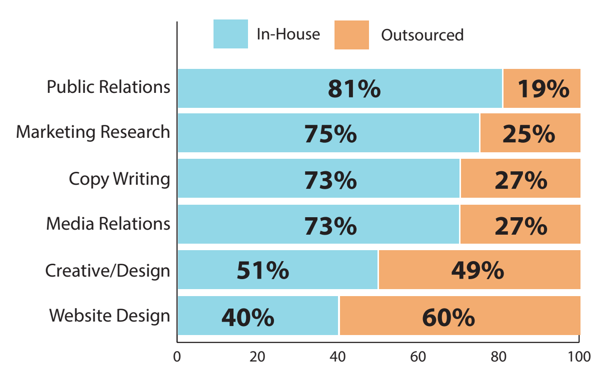
Figure 11 – Select Marketing Budget Detail



Marketing Activity Outsourcing

We asked if a select group of marketing activities were performed in-house or outsourced. Other than for Website and Creative Design, the majority of these activities are performed in-house. Companies we've spoken to appear to be moving toward increased outsourcing (or using vendors) for marketing activities. The reason for this trend is due to the difficulty in hiring experienced, well-rounded, affordable professionals that understand B2B marketing and our industries. (Figure 12)

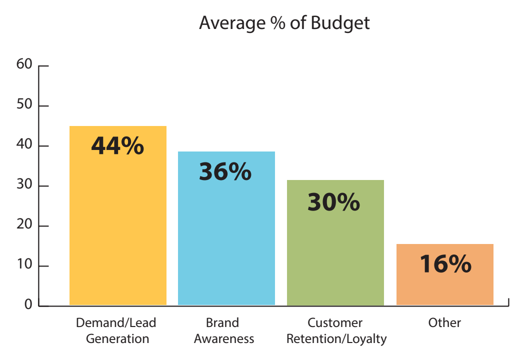
Figure 12 – Marketing Activity Outsourcing



Marketing Objective Budget Allocation

On average, 44% of marketing program budget is allocated to Customer Acquisition/Lead Generation, followed by Brand Awareness at 36%. In the prior study, Customer Acquisition/Lead Generation budget allocation was higher at 56%, while brand awareness and Customer Retention/Loyalty were about the same. (Figure 13)

Figure 13 – % Budget Allocation



Note: Percentages reflect the average contribution of the particular objective cited by the respondents. Not all objectives cited by all respondents.

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, 62% of respondents said tracking print advertising ROI was at the basic level— not surprising due to the nature of the marketing channel. Respondents' best ROI tracking was in Outbound Telemarketing at 32% very good or best-in-class, and Corporate Web Sites, with 23% indicating it was very good or best-in-class.

What is interesting about the results is how the marketing budget spend is allocated. From the Select Marketing Budget Allocation Detail section in this study, Online Advertising, Events, and Print Advertising make up almost 51% of the marketing program budget. Correspondingly, only 14% of respondents are very good or best-in-class at measuring Print Advertising marketing ROI, 20% at measuring Trade Show and Conferences ROI, and 24% at online advertising ROI. best-in-class, at measuring online advertising ROI. (Figure 14)

Figure 14 – Marketing ROI Tracking

Answer Options	Basic	Good	Very Good	Best-In-Class
Sponsorships	68%	27%	2%	4%
Print Advertising	62%	25%	12%	2%
White Papers	60%	24%	7%	10%
Other Content Marketing	56%	31%	10%	4%
Outbound Telemarketing	54%	14%	30%	2%
Customer Events	51%	24%	17%	8%
Social Media	51%	29%	14%	6%
Trade Shows and Conferences	50%	29%	19%	1%
Corporate Website	44%	32%	17%	6%
Email Marketing	40%	31%	25%	4%
Online Advertising	36%	39%	18%	6%

We found that approximately 72% of the respondents do not track key ROI metrics or track them mostly in a manual fashion.

How Marketing Metrics Are Tracked

The challenge of measuring marketing ROI appears to correlate to how metrics are tracked. With almost 50% of marketing program budgets being allocated to Customer Acquisition/Lead Generation, this question focused 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, over a third of the metrics are not tracked or are tracked in a mostly manual fashion. The most surprising response is that over 36% of respondents don't track dollar value of opportunities created or won from marketing leads. (Figure 15)

Figure 15 – How Marketing Metrics Are Tracked

Answer Options	Do Not Track/ Not Sure	Mostly Manual Tracking	Mostly Automated Tracking	Not Sure How We Track
# of Leads converted to sales opportunities	30%	39%	29%	2%
Dollar value of sales opportunities created from marketing leads	36%	34%	23%	7%
# of inquiries or Leads generated from each marketing initiative	31%	40%	21%	8%
# of Leads sales people follow up within a reasonable period of time	24%	53%	21%	1%
Dollar value of sales opportunities won from marketing leads	26%	51%	21%	2%
# of Leads given or assigned to sales people	29%	48%	15%	8%

Summary

This year's study had a larger number of respondents — including freight brokers, freight forwarders, truckload and LTL carriers, 3PLs, warehouse providers, truck leasing firms, and expeditors.

This study allows transportation, logistics and supply chain business, and sales and marketing leaders the ability 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.

The survey will continue to be published in summary form free to TMSA, TIA and IANA members and at a modest cost to non-TMSA members. Survey respondents receive a complimentary copy of the survey, and they will also receive analysis of additional questions and response analysis during the TMSA annual conference, webinars and seminars.

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.

Sales Outcomes
Marketing & Sales Execution

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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