

Buyers' views of salespeople 2010

Earning buyers' trust



Executive summary

71% of corporate buyers have looked for new suppliers in the last twelve months. Recession has caused them to re-assess their suppliers, to improve their negotiating position and gain year on year savings.

Buyers today are seeking to measure supplier performance and, where appropriate, evaluate their commercial relationships with key suppliers.

They are seeking to deal with supplier salespeople who are well informed, proficient, quick to respond, able to negotiate a bespoke solution and, importantly, supplier salespeople they feel they can trust.

For over a decade TACK's Buyers' Survey has analysed trends in purchasing behaviour as well as buyers' views and expectations of salespeople. The ongoing study helps sales professionals and their managers focus on the key skills that need reinforcement and development.

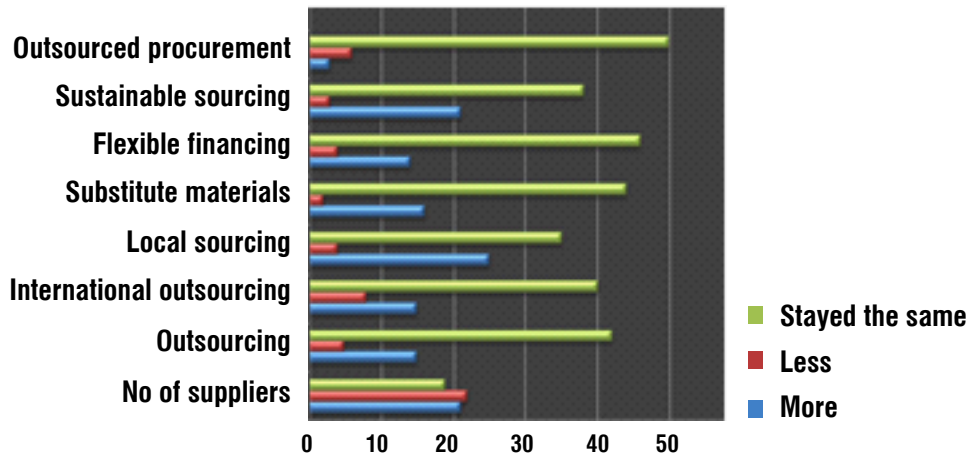
Buying and selling in 2010 - a paradigm shift

TACK's latest research highlights interesting changes in purchasing behaviour directly related to the current socio-economic climate. High national debt, shifts in global commercial dominance, the effects of mergers, acquisitions and joint ventures, greater acceptance of the role of purchasing in environmental sustainability and issues surrounding consumers' diminished trust of commercial and public institutions, have all impacted the buying/selling landscape of 2010 - probably forever.

This change has been compounded by the ongoing rationalisation of suppliers, further drives for approved supplier lists and the increased use of online processes for the purchase of both tangible products and intangible services in the commercial world. Other notable dynamics include:

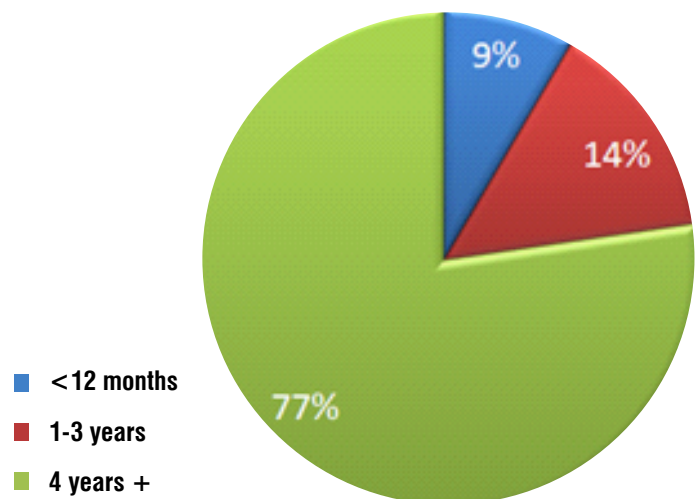
- An increase in global sourcing as well as an identifiable counter-flow of organisations sourcing locally. Drivers include increased oil prices, pressure to pay fairer labour rates and pressure to source sustainably.
- Social media now plays a significant role in buyer/seller relationships.
- The complexity and volume of legislation, both nationally and internationally, has impacted the supply side of business.
- Technological advancement, the take-up of Customer Relationship Management/ Experience systems and the integration of sales and marketing activities.
- Particularly prevalent in organisations with dedicated procurement roles, is a drive for commoditisation and "Year on Year Savings" - often considered more important than transient technical advantages of a product/service.
- Conventional face-to-face field sales calls continue to reveal falling rates and the time buyers grant salespeople for such meetings has contracted.
- Buyers are ever more demanding of their suppliers and, in response, the sales side has to alter its conventional feature and benefits or "transactional pitches" to more customer centred solutions.

The buying landscape over the past 12 months



Purchasing experience

The respondents



Who shared their opinions?

The 2010 Survey reports on the views of buyers from FTSE 100 companies to SMEs within manufacturing, retail, B2B, financial services and business services sectors across Europe, Asia and the US.

- 59% of the respondents had buying authority, either as “ultimate buying authority” (budget setters) or “limited buying authority” (budget holders). The remainder were buying influencers.
- 77% of the sample had more than 4 years experience in commercial decision making.
- The overall split of respondents was 74% male and 26% female.

Buyers were asked their views, preferences and opinions on salespeople’s methods and behaviours from initial prospecting, communication media, meetings and proposals, decision making criteria and the competencies of their supplier salespeople.

The key findings

New business development and proposals

Establishing contact

Email now dominates as an acceptable channel for salespeople to make contact to arrange a first appointment with 84% saying email is acceptable, followed by a telephone call and then by letter. Face to face cold calling has resurged to 15% of buyers deeming it acceptable, a rise since 2007 when it was only deemed acceptable by 6% of respondents. Fax has dropped to only 7% from 15% acceptability in 2007.

Proposals and quotations

Email (plus attachment) reigns supreme as the preferred way of receiving quotes and proposals - now stated by 95% of buyers. Hard copy paper quotes and proposals sent by post were stated as a preferred media by 27%. Fax has dropped to 7%. This edition of the Survey identifies that 22% of the respondents employ Request for Proposal processes (RFP).

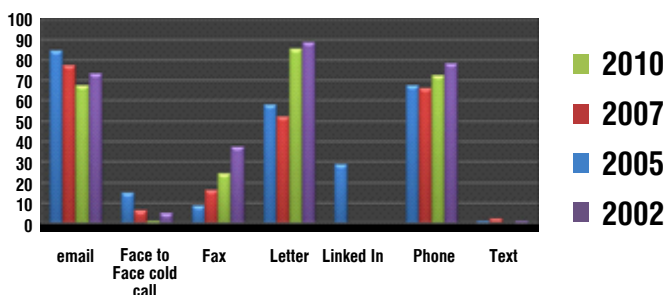
Sourcing information and new suppliers

Buying cycles have shortened from a decade ago. Salespeople are expected to respond promptly to clients' prospects' requests. Robust processes need to exist between marketing and sales to enable swift sales follow up. The analysis of response to enquiries, "click throughs" and website "browse time", among other activities, will help suppliers measure the effectiveness of marketing campaigns. Suppliers websites need to be current and easy to navigate. Personal contact, phone or face to face, is still regarded highly - providing salespeople are knowledgeable of products, market and the client's business.

What is your preferred channel through which to source supplier product information?

1. Supplier website
2. Personal visit from salesperson
3. Search engine (Google)
4. Telephone call from salesperson
5. Literature in post

Acceptable prospecting media



"It seems that salespeople are rotating regularly within a circle of different competitors. This creates a loss of knowledge between customer and supplier."

"...salespeople rarely stay in the same business (in my experience), which to me means they are not that good at what they do. This is experience built up over 25 years in the industry and it matters to me that people are committed to their company and position."

Solutions offered by the salesperson

The sales skill gap has worsened

Our last TACK Sales Force Engagement Survey identified that over half the salespeople in the manufacturing and B2B sectors are home or office based. Their use of the phone means face to face call rates have dropped over the last decade. Churn rates of salespeople due to recession means relationships and knowledge have been lost - something that concerns Survey respondents as demonstrated by the anecdotal feedback.

The ability to skilfully use the telephone to assess and match solutions to clients needs is therefore increasingly important. When asked how well salespeople assess buyers' needs, 64% said salespeople are either poor or fair. Sadly this remains largely unchanged from the 2002, 2005 and 2007 surveys - suggesting there is a critical need for refreshment and reinforcement training of the UK's sales force.

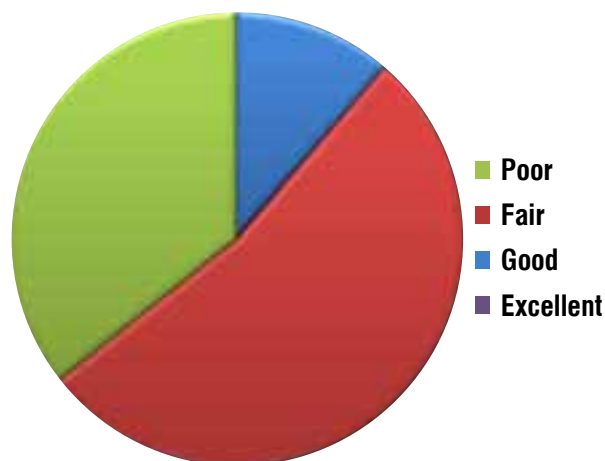
Assessing and matching solutions to buyers' needs

The poor scoring is emphasised further when buyers were asked how well salespeople matched their solution to their customers needs over the telephone - 64% scored their efforts as fair or poor. A similar pattern and rating was revealed in 2005 for face to face selling. Buyers are more positive about salespeople's overall skills. 76% of buyers score salespeople's face to face selling skills as good or excellent. 74% (48% in 2007) scored their use of email as good or excellent. Their skill in presenting to groups, however, was only assessed as good or excellent by 50% of the Survey. This will be of concern to suppliers where such activities are considered "deal critical".

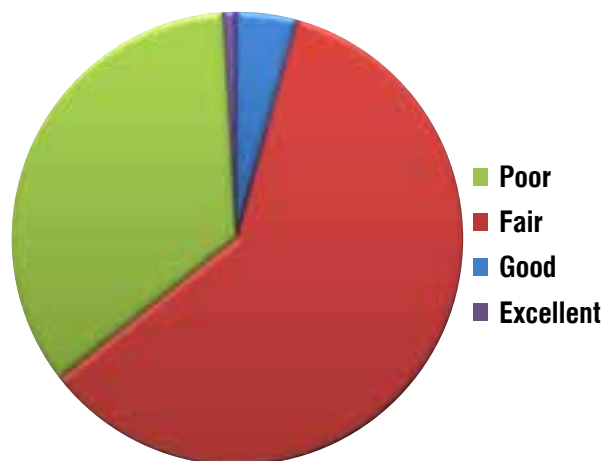


Identifying needs and developing solutions

How competent do you find supplier salespeople at assessing your needs and wants?



How well do their offered solutions match with your real needs?



Communication - the message and the media

Rise of the digitised virtual meeting - voice, text and social networking

Just as salespeople have increasingly adopted the use of mobile communication technology, so have their counterparts on the purchasing side of business. Texting is now universal across all age groups and a small but significant percentage (19%) of buyers with work mobiles consider it acceptable for salespeople to text them. Practical reasons such as communicating effectively in noisy environments usually account for those who accept SMS as a form of communication from salespeople.

Audio conferencing - significant rise in usage with suppliers

Telephone conferencing facilities are now widely used in organisations by buyers with their suppliers (57%). Buyers use audio conferencing pre-sale, during the sales process and after sale. The use of videoconferencing with suppliers is lower (25%) but, along with web conferencing, it is on the rise.

Changes in contact interaction and working practices

Time	Willing to take first phone call	Willing to meet first salesperson
07.30 or before	6%	1%
08.00	19%	13%
08.30	19%	14%
09.00	35%	13%
09.30	21%	49%

Time	Willing to take last phone call	Willing to meet last salesperson
16.30	22%	65%
17.00	27%	19%
17.30	23%	6%
18.00	16%	7%
18.30 or after	12%	3%

Home, away or in a coffee shop?

Buyers responding to the survey say that in the last twelve months they have been prepared to meet salespeople in an ever wider number of locations. Most popular, perhaps unsurprisingly, is to meet at the buyers' premises and then visiting suppliers' premises. 44% of buyers also met salespeople at exhibitions and other public venues such as conference centres and managed office facilities. 39% have met suppliers in informal setting such as coffee shops - perhaps enticed by the offer of free WIFI.

Which of the following locations have you used in the last 12 months to meet with supplier salespeople?

	2010	2007
Your own office	85%	65%
Your own company's meeting room	81%	83%
Suppliers' premises	70%	67%
Exhibitions	41%	38%
3rd party hotel, conference centre, office letting service	29%	32%
3rd party informal/social e.g. Starbucks	40%	n/a



Courtesy does still count

62% of buyers consider it necessary to always exchange business cards with salespeople. For the remaining 38% this was only sometimes necessary. In the case of regulated financial services selling, one of the stipulations of compliance is to present a business card. Similarly with the shaking of hands, 92% considered it always necessary with just 8% of buyers considering it only sometimes necessary. If there were any doubt about leaving mobile phones on a ring setting in meetings, just 1% of respondents considered this to be acceptable. 39% stated the salesperson's mobile phone should be switched off and 60% said it should be put on silent or meeting mode.

The survey gave buyers the opportunity to voice further areas for improvement. Buyers still find salespeople do too much of the talking. Too many salespeople do not prepare thoroughly enough ahead of face to face meetings in terms of finding out about the buyer's company and market, expecting to do it all at the first face to face meeting which eats into valuable meeting time.

They still find many salespeople pushy and overly focused on making appointments just for the sake of it. Some also object to salespeople who are unable to negotiate pricing straight away.

“Do you really know your client and their base - where are you going to give long term value to their bottom line (Return on Investment)?”

“Be accurate in follow-up calls about the last conversation. I find they 'put words in your mouth' that are either not true or embellished - “you asked me to call” or “you were interested in our service...”

“Don't use my first name unless I invite you to use it or I use yours.”

“Most talk too much from the start rather than asking what you need.”

Respondents also noted that they would prefer salespeople to pick up the telephone rather than simply conduct email conversations. But above all poor listening skills remain to be salespeople's biggest weakness.

The lifeblood of our economy

The sales profession does sadly continue to receive a significant amount of bad press second only, perhaps, to politicians and bankers! Some of this publicity is unfair but it is based on the perceptions of clients and perception is, of course, their reality. To TACK, selling will always be a worthy and essential profession, the lifeblood of any economy. Through this ongoing study we hope to give the sales profession a little more insight so you can see things through the eyes of your customers.

In the words of one respondent **“Salespeople are often not given or afforded the respect they deserve from other functions. They are the most important people in any business.”**

TACK International would like to thank Hugh Alford for this ongoing body of work and for his contribution to sales professionalism.

In the full report

The activities of buyers which have increased, declined and stayed the same during the last 12 months

The Buyers' Wish List - top 10 aspects buyers consider essential in supplier/buyer relationships

Buying motivations and the true role of price

Preferred presentation media

Buyers' views of the quality of all forms of communication with salespeople

Opinions on the sales approaches and behaviours of supplier salespeople towards buyers

Use of, and preferences for, all forms of communication media - internet, mobile, conferencing, SMS, etc

Buyers' expectations of meeting times, best times to call for face to face and telephone calls, duration of calls for one to one and presentation to buying teams, courtesies, etc

To purchase the full report or to have TACK share the complete survey findings at your next sales conference please contact us.

About the author

Hugh Alford BSc (Joint Hons) is an independent researcher, analyst and training consultant. Together with the TACK Sales Force Engagement Index, Hugh has authored the 1997, 2002, 2005, 2007 and, current, 2010 TACK Buyers' Views of Salespeople research. Hugh's training expertise is in all aspects of business development and he is an accomplished conference speaker.

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About TACK International

Designing and implementing practical, results-oriented training and development solutions that work for our clients has been our focus for 62 years.

TACK has monitored the trends in attitudes of salespeople for many years.

The research allows us to ensure that delegates attending our courses are kept informed of current business practice and buyers' preferences - supporting us to achieve our goal of raising standards within the selling profession.