

THE 2011 RICHARDSON/MCCORD

SOCIAL MEDIA



IN MARKETING & SALES



SURVEY

PRESENTED MARCH 2011 BY:



SUMMARY

The social media phenomenon has eclipsed all forecasts about how far and how fast it would grow – and how much a part of everyday life it would become. Personal use is virtually non-stop, as people the world over use smartphones and other mobile devices to stay in touch and share news and information. Business use continues to grow, with consumer-oriented companies often turning to Facebook to create communities of interest, asking customers to “follow” them and become “fans” who vote to “like” their products and services. Business-to-business users rely more on professional networks, like LinkedIn, where they can research prospects and prospective companies.

Simply put, the Social Web offers businesses a more direct digital path to many of their customers. And certainly many businesses are leveraging this connection to gain intelligence, testimonials, referrals, and more sales.

Social media dovetails well with sales and marketing efforts because, like selling, these sites are all about relationships. But how many businesses have taken advantage of digital strategies to begin the process of acquiring more customers and bringing in more revenue?

This is the question behind the 2011 Richardson/McCord Social Media Survey. The results show both an increasing integration of social media into the overall selling process and the clear opportunity to deepen its use to achieve better results. Where social media tends to be most effective is in laying the groundwork to build and strengthen relationships. Specifically, social media can help sales professionals to learn more about existing customers, learn more about current prospects, and identify new prospects.

LOOKING FOR RESULTS FROM YOUR INVESTMENT IN TRAINING?
CONTACT RICHARDSON TO RAISE THE BAR ON YOUR SALES PERFORMANCE.



SOCIAL MEDIA



OVERVIEW

CONTENTS

Summary	2
Overview	3
Key Findings	4
Conclusion	5
Social Calling	5
Appendix	6
Additional Feedback	11

The difference between a traditional website and a social media site is the ability to interact — to easily add comments, share experiences, and post reviews, often in real time. Instead of the one-to-many communications model used in traditional websites, social media sites are interactive dialogues, encouraging a many-to-many communications model where everyone becomes a content producer.

The most common social media sites used for sales and marketing are LinkedIn, Facebook, Twitter, and YouTube with many more gaining traction every day.

For this survey, Richardson and McCord Training partnered to develop research that would determine the extent and effectiveness of social media within sales and marketing processes. We sent a survey to subscribers of both the Richardson and McCord Training who consist

of sales professionals that have signed up to receive e-Newsletters, sales tips, and other information from both companies. More than 550 people responded to the survey. They mostly represented B2B companies, with some B2C companies.

- 43% of the respondents work for a company with over \$400 million in revenue.
- 35.9% of the respondents carry a quota of over \$1.5 million dollars.
- 39.8% of the respondents have 7 or more years in their current roles.
- Respondents are spread fairly evenly across a variety of industries, with Financial Services being the highest at 23.7%.



KEY FINDINGS

- 64.8% of respondents report using social media in their selling efforts, which indicates the growing adoption of this digital platform as another tool for reaching customers and prospects.
- Most respondents reported the top areas of success with social media to be in 78.8% learning more about existing customers and 70.1% current prospects, and 57.7% in identifying new prospects. Lowest on the list, 29.6% were the more concrete areas of identifying additional sales opportunities with existing customers, 18.6% closing more deals, and 10.2% receiving requests for proposals.
- The social media tools most used in **prospecting** were YouTube and LinkedIn; for **strengthening relationships**, LinkedIn and Facebook. Twitter was perceived to be the least effective tool for either use.
- Frequency of social media use remains relatively low, with 92.1% of those who report using social media in their selling efforts spending less than 5 hours per week for **prospecting**, and 88.3% using it less than 5 hours per week for activities associated with **strengthening existing relationships**.
- For those who **do not** use social media, the highest hurdle was in **not understanding how to leverage the tool** (also a frequent complaint from those who actively use social media). Additionally, nearly one-third of the non-users said their company had regulations against using social media, with many, if not most, of these respondents coming from the financial services area.
- More than half of the non-users said they didn't know when they would begin using social media. About one-quarter estimated they would begin doing so within the next five months, and 11% said they would never use social media tools. As for awareness of social media tools by these non-users, Facebook topped the list, followed by LinkedIn, YouTube, and Twitter.
- Overall, 68% of respondents rated social media as valuable ("somewhat valuable" to "very valuable") in the prospecting and 65% for the relationship-strengthening aspects of the selling process. Only 4% thought it was critical and 9% not valuable, indicating that most responses were in the middle of the spectrum.
- Driving actual sales from social media tools is quite low, with 80.2 % of the respondents generating 0-5% of their sales from social media tools.



CONCLUSION

The social media environment continues to transform itself, as each online service vies to become the leading platform or “killer application.” Still, the principles upon which they are based remain the same: building relationships.

While social media tools are becoming a part of the sales and marketing processes at more companies, their greatest value is perceived as helping to learn additional information about customers and prospects. There is less direct evidence of their effectiveness in identifying more sales opportunities or closing more deals, but they do help on the front end of the pipeline process.

There is considerable opportunity for more sales professionals to use social media tools — and for current users to spend more time mining their potential — to achieve greater results on the front end of the selling and marketing process. By using social media to warm up the cold-call environment and to strengthen ties with existing clients, sales professionals can become more efficient in filling the sales pipeline with more prospects and opportunities.

Many businesses have hesitated to jump into social media, not knowing where to focus their energies and being concerned about wasting time as they come up-to-speed. For individuals, the reluctance can come from a preference to stick with the tried and true or an aversion to learning something new.

R SOCIAL CALLING

Richardson has developed a Social Calling training program to help sales teams become more conversant in social media and to use it as a tool to support referral-based selling.

Richardson SocialCalling™ is a prospecting program, delivered via webinar or as a module within its Strategic Prospecting instructor-led course, that focuses on referral selling by leveraging the latest social media web-based technologies. The program provides a step-by-step framework for using specific social media to build a list of potential contacts, gain referrals to those contacts, and monitor relevant changes at target organizations. Participants benefit from a proven referral-selling methodology that shortens the time between initial call and the first face-to-face meeting with a prospect.

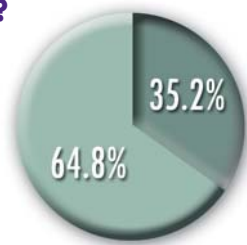


APPENDIX

QUESTION 1:

DO YOU ENGAGE WITH ANY SOCIAL MEDIA SITES AS PART OF YOUR SALES AND MARKETING PROCESS?

YES: 64.8%
NO: 35.2%



FURTHER BREAKDOWN

The results of the following are as a percentage of the total number of people who answered the specific question, not the overall percentage of who responded "yes".

By company revenue size:

>\$1 billion: YES = 50.6% of total
<\$50 million: YES = 75.6% of total

Experience level in current job:

<2 years: YES = 80.2% of total
>than 7 years: YES = 56.9% of total

Quota size by reps:

\$500,001-\$750,000: YES = 79.2% of total
\$750,001-\$1,000,000: YES = 56.0% of total
\$1,000,001-\$1,250,000: YES = 88.9% of total

QUESTION 1B

(THOSE RESPONDING "NO" TO Q1 ENGAGING IN SOCIAL MEDIA):

WHAT HAS BEEN THE BIGGEST HURDLE IN USING SOCIAL MEDIA IN YOUR SALES EFFORTS?

RES	ANSWER OPTIONS
8.9%	Do not see the value
36.9%	Do not fully understand how to leverage the tools
29.9%	My company has social media regulations and we cannot use it
11.5%	I don't think it will work in my industry
12.7%	Too busy with other selling tasks



APPENDIX

QUESTION 2:

HOW MUCH TIME PER WEEK DO YOU SPEND USING SOCIAL MEDIA SITES AS PART OF YOUR SALES PROCESS?

PROSPECTING EFFORTS

- <5 hours per week = 92.1%
- 3-5 hours per week = 31.5%
- <2 hours per week = 54.72%
 - Of this group, 42% have sales quotas >\$1.5 million

STRENGTHENING EXISTING RELATIONSHIPS

- <5 hours per week = 88.3%
- 3-5 hours per week = 28.28%
- <2 hours per week = 50.82%



QUESTION 2B (NON-USERS OF SOCIAL MEDIA):

I WILL START USING SOCIAL MEDIA TOOLS (WHEN?):

RES ANSWER OPTIONS

- 11.0% Never
- 9.1% Within the next two months
- 14.0% Within the next 3-5 months
- 9.1% After 5 months from now
- 56.7% Do not know



APPENDIX

QUESTION 3:

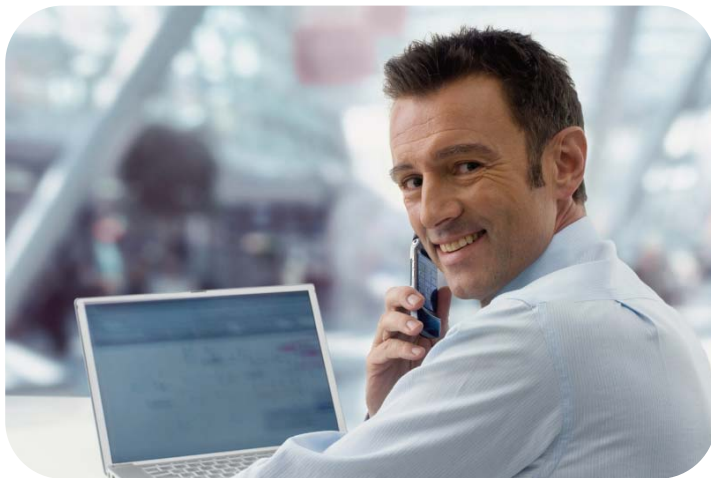
HOW HAS SOCIAL MEDIA HELPED YOU SUCCEED THROUGHOUT YOUR SELLING PROCESS?

TOP THREE RESPONSES

- 70.8% Learned more about my existing customers
- 70.1% Learned more about my prospects
- 57.7% Identified new prospects

LAST THREE RESPONSES

- 29.6% Identified additional sales opportunities within an existing customer
- 18.6% Closed more deals
- 10.2% Increased requests for proposals



QUESTION 3B

(THOSE RESPONDING “NO” TO Q1/ENGAGING IN SOCIAL MEDIA):

WHICH OF THE FOLLOWING SOCIAL MEDIA SITES ARE YOU FAMILIAR WITH? (CLICK ALL THAT APPLY)

RES ANSWER OPTIONS

- 80.2% LinkedIn
- 93.2% Facebook
- 64.2% Twitter
- 77.2% YouTube
- 8.6% Digg

APPENDIX

QUESTION 4:

WHAT PERCENTAGE OF YOUR SALES HAVE BEEN GENERATED/ORIGINATED THROUGH SOCIAL MEDIA?

RESULTS

0% = 14.5%

1% to 5% = 52.3%

0% to 5% = 66.8%

QUESTION 5:

WHICH OF THE FOLLOWING SOCIAL MEDIA SITES DO YOU USE IN YOUR SELLING EFFORTS?

ANSWER OPTIONS	PROSPECTING EFFORTS	STRENGTHENING EXISTING RELATIONSHIPS
LinkedIn	81%	86%
Facebook	63%	85%
Twitter	79%	65%
Personal Blog	71%	78%
Company Blog	79%	79%
YouTube	86%	62%

QUESTION 6:

PLEASE RATE THE EFFECTIVENESS OF EACH OF THE FOLLOWING SOCIAL MEDIA SITES THAT YOU HAVE USED IN PROSPECTING

ANSWER OPTIONS	NOT VERY	SOMEWHAT EFFECTIVE	VERY EFFECTIVE	N/A
LinkedIn	9%	40%	40%	11%
Facebook	22%	38%	16%	24%
Twitter	22%	24%	11%	42%
Personal Blog	10%	13%	9%	67%
Company Blog	7%	21%	15%	56%
YouTube	12%	16%	10%	61%



APPENDIX

QUESTION 7:

PLEASE RATE THE EFFECTIVENESS OF EACH OF THE FOLLOWING SOCIAL MEDIA SITES THAT YOU HAVE USED IN STRENGTHENING EXISTING RELATIONSHIPS

ANSWER OPTIONS	NOT VERY	SOMEWHAT EFFECTIVE	VERY EFFECTIVE	N/A
LinkedIn	7%	41%	43%	9%
Facebook	10%	36%	30%	23%
Twitter	17%	27%	14%	42%
Personal Blog	8%	13%	12%	66%
Company Blog	7%	21%	19%	53%
YouTube	13%	21%	6%	60%



QUESTION 8

OVERALL, PLEASE RATE THE VALUE OF USING SOCIAL MEDIA IN YOUR SELLING PROCESS

SOCIAL MEDIA FOR PROSPECTING

9%	Not valuable
40%	Somewhat valuable
28%	Valuable
19%	Very valuable
4%	Critical

SOCIAL MEDIA FOR BUILDING EXISTING RELATIONSHIPS

4%	Not valuable
31%	Somewhat valuable
34%	Valuable
26%	Very valuable
5%	Critical

APPENDIX

ADDITIONAL FEEDBACK

PARTICIPANTS WERE ASKED TO INCLUDE COMMENTS ABOUT THEIR EXPERIENCE WITH SOCIAL MEDIA TOOLS. ALTHOUGH VARIED, SEVERAL COMMON THEMES EMERGED. THESE ARE LISTED BELOW, ALONG WITH SOME ACTUAL COMMENTS:

POSITIVE FEEDBACK ON SOCIAL MEDIA

"There is no question that social media has to be a critical aspect of networking, prospecting, strengthening existing relationships, and maybe most importantly educating oneself on industry trends, etc."

NEGATIVE FEEDBACK ON SOCIAL MEDIA

"I am too old to try it and I don't see how it would work in my industry."

THE NEED TO BETTER UNDERSTAND SOCIAL MEDIA

"As with any new technology, we need to understand how it can be of assistance to grow our business. Developing a platform to use social media effectively will benefit all who use it and take the fear away from those who do not."

THOSE WHO ARE JUST GETTING STARTED WITH SOCIAL MEDIA

"I have just begun using social B2B networking to strengthen relationships and prospect. The most value I find right now is keeping in tune with what is happening throughout my client base."

COMPANIES THAT RESTRICT SOCIAL MEDIA

"Many companies, like ours, do not permit us to use anything other than LinkedIn when using social media on company PCs and networks. I am not convinced social media would increase sales significantly without the expenditure of a large amount of time keeping up with it all. That being said, the use of social media sites seems to be growing in the business sector. Perhaps when its use is generally accepted by the business community, particularly those with security issues and factors, it will be a more effective use of an employee's time."



ABOUT RICHARDSON

Richardson is a global sales training and performance improvement company that helps leading organizations improve sales results. We do this in three ways. We analyze the structure and talent of your salesforce, we train and develop your sales team, and we continue that development through coaching and reinforcement. Richardson equips your sales leaders and salesforce with the skills and strategies they need to win in today's complex selling environment. What is unique about Richardson is how we create truly customized solutions that change behavior and provide measurable results.



**Learn More: Contact the
Richardson Team at 215-940-9255**