




The Payoffs of Improved Sales and Marketing Alignment

Introduction

The relationship between a company's sales team and its marketing department is often compared to a marriage. There can be good marriages, rocky ones, and of course divorces.

When it comes to sales and marketing, the latest global research from JointheDots and LinkedIn shows that these two departments, which have often been at odds, are much better aligned than conventional wisdom leads us to believe.

And the reason sales and marketing are collaborating are clear. It pays off in important ways. It boosts financial performance and can improve internal culture. Perhaps, best of all, our research shows some simple steps can help boost sales and marketing alignment.



The Payoffs of
**Improved Sales and
Marketing Alignment**

Key Findings

Sales and marketing collaboration is getting better and having a strong impact on the customer buying experience while also delivering business outcomes. LinkedIn's and JointheDots' research, which surveyed 3,516 sales professionals and 3,627 marketers, between from Australia, India, Southeast Asia, the United Kingdom, and the United States, revealed three main conclusions:

1.

Alignment is critical

Clients are looking for Sales and Marketing alignment and it is critical for the bottom line, with 58 percent of salespeople and marketers saying collaboration delivers improved customer retention and another 54 percent saying it boosts financial performance.

2.

A culture of collaboration

Marketing departments and sales teams are more closely aligned than you might think, with 8 out of 10 (79 percent) respondents agreeing that there is a culture of collaboration between sales and marketing at their company.

3.

Shared objectives and measurement improves collaboration

Sales and marketing teams should start with clear objectives and success metrics. Over half (52 percent) of sales and marketing professionals cited that shared objectives and KPIs would help the business improve collaboration.

Read on for a deeper dive into the state of sales and marketing alignment, the methods that enable improved alignment, and the payoffs in achieving a stronger bond between sales and marketing.

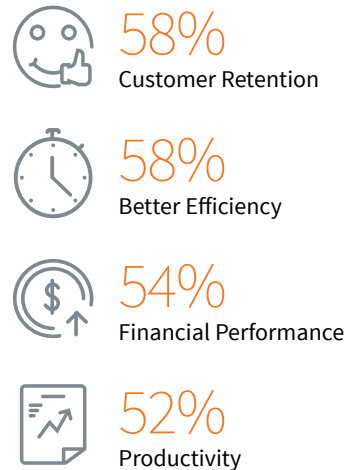
Alignment has a direct impact on customers and business

For this study, we defined sales and marketing alignment broadly. Alignment between sales and marketing included developing strategy together, sharing goals (up to and including revenue), agreeing on lead definitions and the hand off of prospects between marketing and sales, and aligning on measurement and even compensation.

Our research found that customers are the main winners when sales and marketing work together. Seventy percent of respondents said sales and marketing collaboration delivers a better customer buying experience.

But it's not just the customer that benefits; vendors do, too.

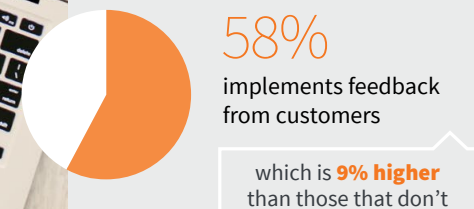
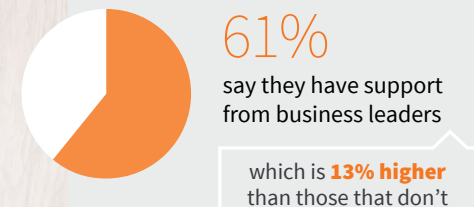
The key business benefits of increased collaboration are:



It's instructive to consider what the respondents mean by financial performance. Primarily, they are referring to top-line revenue growth and bottom-line increases in profits. Overall, increased alignment between sales and marketing appears to result in more qualified leads, which deliver topline growth. Alignment also can deliver greater customer retention, which has a strong positive contribution to profits.

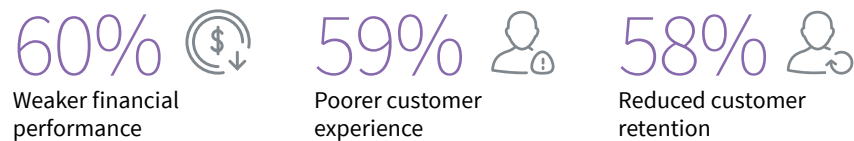
How sales and marketing teams that collaborate differ from those that don't

Sales and marketing teams that collaborate stand out from those that don't in some clear ways:



Lack of collaboration and its downsides

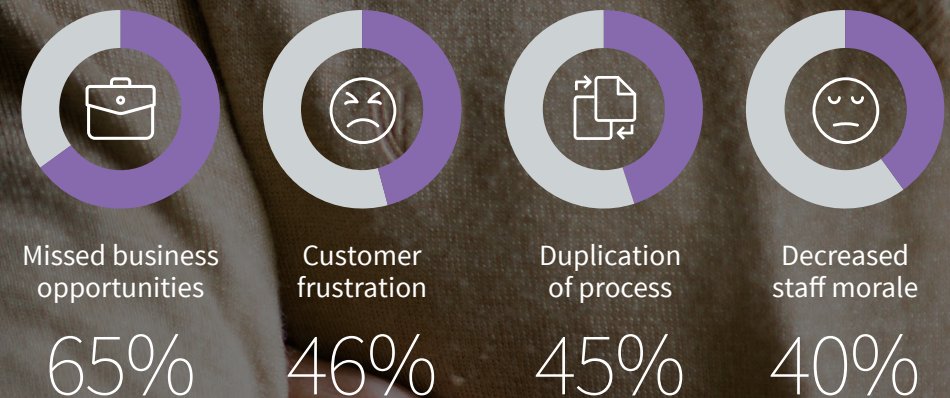
If the upside of increased collaboration isn't convincing, maybe the downside of lack of collaboration will be. The research revealed that a lack of alignment between sales and marketing had a direct negative impact on customers and business:



Additionally, a significant portion of respondents said that lack of collaboration between sales and marketing could lead to extremely negative consequences, such as:



Businesses identified the most likely negative outcomes from a lack of sales and marketing collaboration to be:



Sales and Marketing Alignment is Seen as a Key Part of the Customer Buying Experience

Our research revealed that those businesses that believe they are delivering a good customer buying experience had many positive characteristics in common:



66%

Has a clear understanding of the customer



64%

Collects feedback from customers



59%

Has good support from business leaders



57%

Implements feedback from customers



50%

Promoted collaboration between sales and marketing



51%

Has good engagement between sales and marketing



57%

Has a well-defined strategy



49%

Has a mapped out a buyer journey

The data around the companies that have mapped a buyer journey is worth diving into more deeply.

These companies say that there is alignment between sales and marketing about the path of the buyer journey:

24%

“all of the time”

52%

“most of the time”

Confusion reigns among companies not delivering a good customer buying experience.

Sales professionals and marketers who don't believe that their companies are delivering a good customer buying experience find it difficult to explain the deficiency. The most common explanations were:

Treating everyone the same/
approach not tailored

26%

Lack of clarity around customer
buying journey

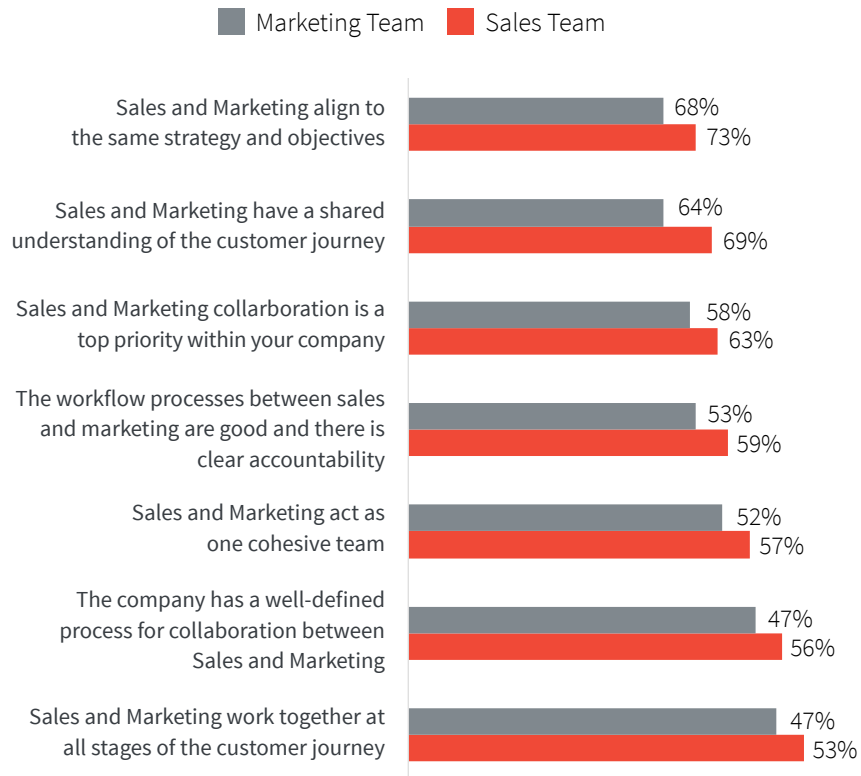
27%

Lack of clear strategy

30%

The State of Sales and Marketing Alignment

LinkedIn research showed salespeople and marketers had extremely similar viewpoints on the state of alignment and collaboration, however the sales team are much more positive about how the teams collaborate together. Of salespeople, 79 percent said they agreed or strongly agreed there is a culture of collaboration at their company. Similarly, 78 percent of marketers felt the same way.



LinkedIn research showed significant alignment between sales and marketing with 79 percent of respondents agreeing or strongly agreeing that there is a culture of collaboration between sales and marketing at their company.

However, only 21 percent said they “strongly” agreed, so there’s room for improvement.

Size doesn't matter, much

This alignment between sales and marketing is consistent no matter the size of the company. There is virtually no difference between small, medium and large businesses when describing collaboration between their sales and marketing teams:



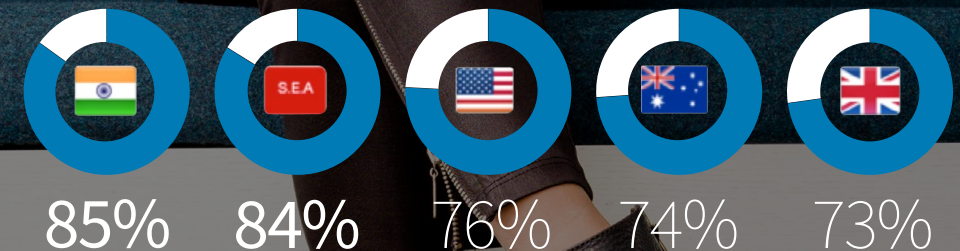
There are some minor differences, however, when various sized businesses describe the strength of the collaboration:



The research also showed that small businesses tend to have leaders who are more likely to encourage (or even demand) sales and marketing collaboration than larger companies by a margin of 76 percent to 71 percent.

Additionally, sales and marketing teams at small companies are more likely to involve each other in the development of marketing strategies by a margin of 63 percent to 55 percent over larger companies. They're also more likely to act as a cohesive team (57 percent compared with 53 percent). And marketers at SMBs are more likely to involve the sales department in content creation and planning by a margin of 69 percent to 58 percent when compared with large companies.

Rates of sales-marketing collaboration varies by region and by country. Salespeople and marketers in India and Southeast Asia tended to have higher levels of collaboration than Australia, the United States, and the United Kingdom.



The data also showed that India and Southeast Asia were more likely to collaborate in a variety of ways when compared with Australia, the United States, and the United Kingdom. Perhaps the individualistic nature of Australia, the U.S., and the U.K., when compared with India and South East Asia offers some explanation for the difference in collaboration levels.

% believing Sales and Marketing collaborate well in the following ways:

align to the same strategy and objectives	77%	81%	66%	65%	60%
share customer and market information freely	68%	70%	62%	59%	59%
have a shared understanding of the customer journey	78%	76%	58%	62%	58%
are keeping pace with what customers want	74%	72%	50%	57%	57%
the leadership within the company encourages sales and marketing	82%	78%	69%	67%	63%

Collaboration is improving, but it could be better

Businesses who said they had improved sales and marketing collaboration attributed the gains to three key factors:

57% Frequently meeting to share ideas and information

53% Coordinated planning and outreach

52% Agreeing on shared objectives and measurement

Teams that collaborate well see a host of benefits

Overall, our research indicates that sales and marketing teams that collaborated well together shared these five characteristics:

82% Leadership actively encourages collaboration

80% Aligned to the same strategy and objectives

76% Have a shared understanding of the customer journey

74% Share market and customer information freely

71% Pace with what customers want

The downside of not being aligned

Interestingly, only a small portion (7 percent) believe that sales and marketing collaboration in their business has worsened. These reasons were offered for the decline in alignment:

52% Different objectives and metrics to measure performance

48% Lack of engagement between sales and marketing

46% Lack of shared understanding of the customer

Businesses are optimistic about the state of collaboration between their sales and marketing teams. Almost three-quarters of respondents (74%) said their companies have improved their sales-marketing collaboration in the past year.



Here's how sales and marketing can get better at collaboration

Whilst collaboration is improving between sales and marketing, there is still work to be done. It's interesting to note that ensuring collaboration had little to do with job swaps or cross-training. These actions ranked near the bottom in ensuring collaboration:



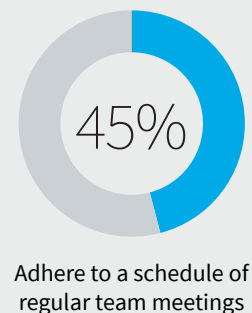
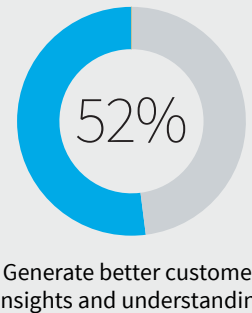
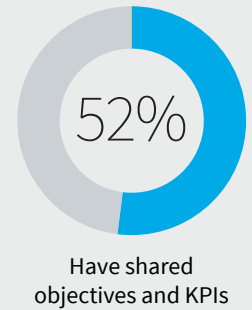
Interestingly, the large majority of both sales professionals and marketers rejected the notion that a shared budget would improve collaboration between sales and marketing.

Only **16 percent** of respondents agreed that a shared budget would improve sales-marketing alignment. Despite an emphasis on collaboration, neither sales nor marketing want their departments unified.

Both remain territorial with only 15 percent of salespeople and 16 percent of marketers saying that a shared budget would boost alignment. Yet another example of agreement between sales and marketing.

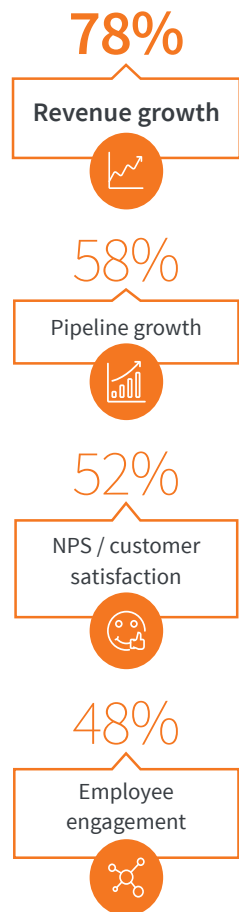
Sales and marketing professionals told us...

these are the top actions to get right to ensure collaboration between sales and marketing:



Revenue is the best way to measure sales and marketing alignment

Our research found that sales and marketing collaboration is most likely to be measured through:



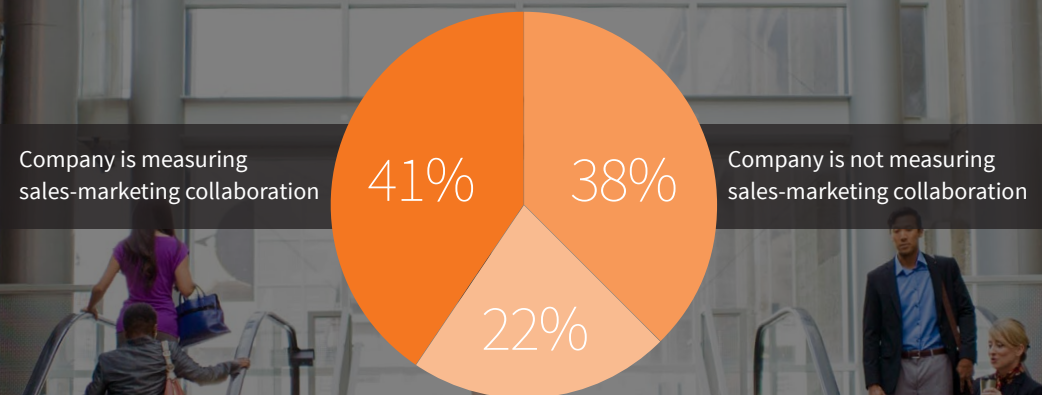
Interestingly people believe that good collaboration between Sales and Marketing is most likely to have a positive impact on the customer experience, but businesses are most likely to be measuring Sales and Marketing collaboration through financial measures.

Measurement correlates to collaboration

There is strong proof that measurement leads to increased collaboration. The research showed that sales and marketing collaboration among businesses that measured collaboration a significant 91 percent said they collaborate well whilst only 7 percent said they don't collaborate well. However, sales and marketing collaboration among companies that didn't measure collaboration, 70 percent said they collaborated well and 26 percent said they didn't collaborate well.

If you can't measure something, you can't improve it.
To know your sales and marketing teams are collaborating you need to measure their alignment.

Our research revealed a fairly even distribution between those who said their companies measured sales-marketing collaboration and those who said their companies didn't measure collaboration:



Respondents don't know if their company is measuring collaboration.

Conclusion

Our global research proves that sales and marketing are collaborating more closely than many observers could have imagined. There's room to grow, however, and this alignment between sales and marketing could grow even stronger.

There are many reasons why both sales teams and marketing departments would want their collaboration to increase. Respondents to our survey believe that greater sales-marketing alignment leads to improved customer retention, efficiency, financial performance, and productivity.

And finally ensuring better collaboration between sales and marketing is not out of reach at your company. But implementing a collaborative culture at your company does tend to require a commitment to actions, such as installing shared objectives and understanding of the customer, ensuring clearer workflow, and simply adhering to a schedule of regular team meetings.

Methodology

JointheDots', a research company, was commissioned by LinkedIn to conduct an online survey of 7140 sales and marketing professionals across five key markets including United States, United Kingdom, Australia, India and South-East Asia. All participants completed the survey from 26 September 2016 to 19 October 2016.

They were invited to take the survey via an email invitation. Respondents were incented to participate.

All participants were 18 years of age or older and worked in sales or marketing facing roles.



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