

2020 Marketing & Sales Metrics Study



FOR THE TRANSPORTATION, LOGISTICS
& SUPPLY CHAIN INDUSTRY

TMSA enables sales and marketing professionals to learn about and advance the transportation and logistics industry through education, connections and resources.



2020 Marketing & Sales Metrics Study

FOR THE TRANSPORTATION, LOGISTICS & SUPPLY CHAIN INDUSTRY

Table of Contents

- Demographics of Respondents 3-5
- Significant Growing Trend: Use of Technology
in Marketing, Sales, Operations..... 6-7
- The Customer Experience (CX)..... 8
- MARKETING METRICS**
- Staffing and Talent Management 9
- Financial Resources and Budgets 10
- Digital Marketing Metrics 11-12
- Measurement of ROI 13
- Marketing Outsourcing Practices..... 14
- SALES METRICS**
- Staffing, Recruiting, Training 15
- Performance Measurement and Compensation
- Financial Resources and Budgets 16
- Sales Measurement and Success 17-18
- Reasons Driving Loss of Business 19
- Lead Generation Strategy 19
- Conclusion 20

The 2020 TMSA Marketing & Sales Metrics Study marks the fourth biennial study conducted by the Transportation Marketing & Sales Association. Initially launched in 2014, 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.

The study design, results, and analysis are compiled by TMSA headquarters staff and the results are audited and reviewed in conjunction with several experienced marketing and sales executives in North American transportation and logistics.

In addition to TMSA headquarters staff encouraging its members to participate in the study, other industry associations have encouraged their members to participate, including the Transportation Intermediaries Association (TIA) and the Intermodal Association of North America (IANA).

About the Study

This survey was conducted between late September 2018 and July 2019 via an email invitation to TMSA, TIA and IANA members and other sales and marketing practitioners in the logistics, supply chain, and transportation industries. Therefore, the data in this study does not reflect metrics following the COVID-19 crisis that began in early 2020.

The survey instrument was a confidential, web-based survey consisting of 12 demographic questions, 6 questions relating to how customer relationships are managed, 24 sales-related questions, and 18-related marketing questions. The 2020 study received the feedback of nearly 160 qualified respondent companies versus 151 respondents in the prior study.

THE DATA IN THIS STUDY DOES NOT REFLECT CHANGING METRICS FOLLOWING THE COVID-19 CRISIS THAT BEGAN IN EARLY 2020



Demographics of Respondents

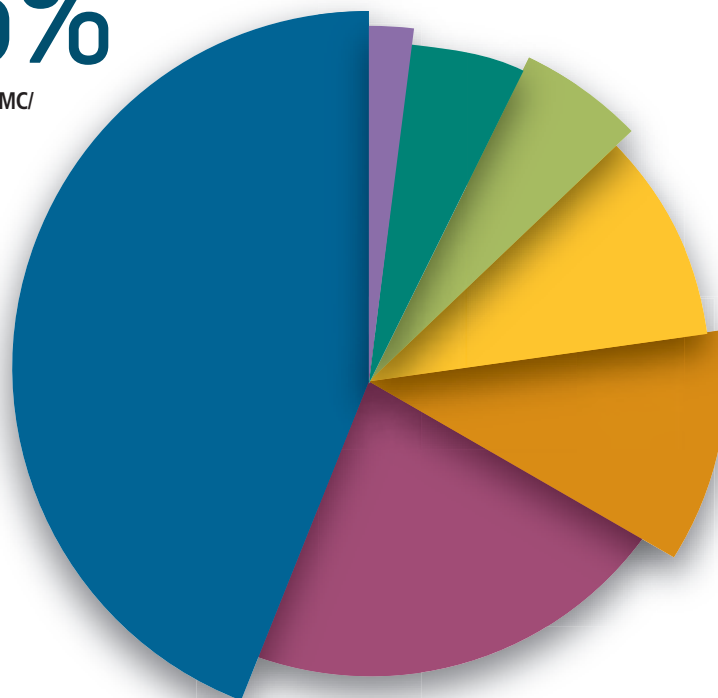
Survey participants represent third-party logistics companies (65.5%), which include truck brokers, freight forwarders and intermodal marketing companies (IMCs); motor carriers (33%); technology innovators (16%); and parcel/home delivery/last mile companies (8%). A significant number of companies involved in the intermodal industry (railroads, ocean carriers, and port authorities) also participated. See Company Type by Mode/Market Segment (*Illustration 1*).

A sample list of respondent companies include: A. Duie Pyle, AAA Cooper Transportation, ALK Technologies, Anderson Trucking Service, Averitt Express, Bay & Bay Transportation, CalArk International, Canada Cartage, Choptank Transport, Crowley, DAT, Dupre Logistics, FDSI Logistics (Cardinal Health), FedEx Services, Genessee & Wyoming, The Greenbriar Companies, Knichel Logistics, Idealease, ITS Logistics, Keep Truckin, Kenco Logistics, Landstar, Manitoulin Group of Companies, Matson Logistics, Navis, Navistar, Nussbaum Transportation, ODW Logistics, Peninsula Truck Lines, Pitt Ohio, Port of Long Beach, Red Classic Transportation Services, Rush Trucking, Saddle Creek Logistics Services, Saia, SMC3,

ILLUSTRATION | 1 | COMPANY TYPE BY MODE/MARKET SEGMENT

65%

3PL/BROKER/IMC/
FORWARDER



3% MANUFACTURER

8% RAILROAD/
INTERMODAL/MARITIME

8% PARCEL/HOME DELIVERY

15% OTHER

16% TECHNOLOGY

33% MOTOR CARRIER

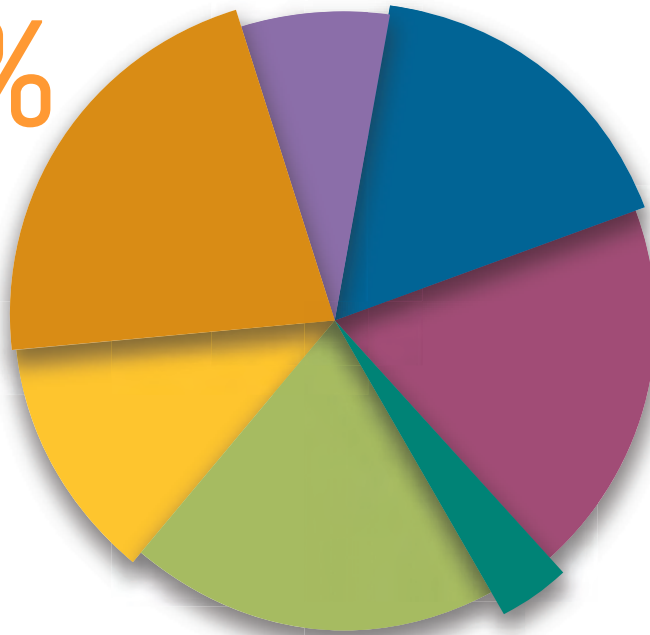




ILLUSTRATION | 2 | SIZE OF ENTERPRISE BY EMPLOYEE COUNT

22%

SMB (50-499)



- 7% MAJOR (5,000-9,999)
- 17% LARGE (1,000-4,999)
- 19% MEDIUM (500-1,000)
- 4% GIANT (10,000+)
- 19% MICRO (<50)
- 12% SMALL (50-99)

Sunset Transportation, Trimble Transportation, Truckstop.com, Tucker Company Worldwide, Verst Logistics, Wabash National, Wen-Parker Logistics, Werner Enterprises, XPO Logistics, and YRC Worldwide. This demonstrates the wide range of company type, size, markets served and range of services represented among those participating in this year's survey. Responding companies primarily serve markets involving consumer goods, industrial manufacturing, retail, food & beverage, automotive, computers/electronics, and health care.

A majority of participating companies are small- and medium-sized businesses (SMBs) with less than 500 employees (74.5%) and generating less than U.S. \$500m in gross sales (74.5%). The remaining participating companies are larger companies, with more than 500 employees (25.5%) and generating more than \$500m (>\$500M) during their last full fiscal year. See Size of Enterprise by Employee Count (*Illustration 2*).

Equally representative were SMBs generating less than U.S. \$1 billion in total annual revenue. See Size of Enterprise by Annual Gross Global Sales (*Illustration 3*).

ILLUSTRATION | 3 | ANNUAL GROSS GLOBAL SALES

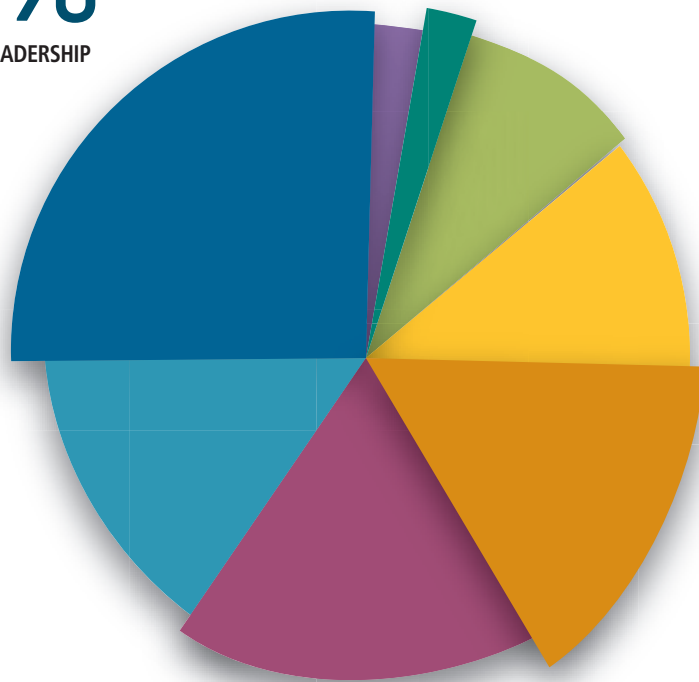




ILLUSTRATION | 4 | ROLES & RESPONSIBILITIES

56%

MARKETING LEADERSHIP



- 3% OTHER
- 5% HR/TALENT MANAGEMENT
- 20% SALES OPERATIONS
- 23% CORPORATE COMMUNICATIONS
- 37% CORPORATE MANAGEMENT
- 35% SALES LEADERSHIP
- 29% MARKETING OPERATIONS

A vast majority of respondents are involved in marketing or sales leadership roles. Approximately 56% are in marketing leadership, 35% are in sales leadership roles and 37% are in corporate management. Nearly 30% are in marketing operations positions, 23% are in corporate communications, and 20% are in sales operations. Another 5% are in HR/Talent Management, with many of these individuals serving in a driver recruiting and retention role. See Roles and Responsibilities (*Illustration 4*).

While a significant percentage of respondents represent enterprises that have capabilities in North America (89.5%), 11.5% have international transportation capabilities outside of North America. Not surprisingly, a majority of participating companies are privately held companies (79%) compared to public companies (21%).

Significant Growing Trend: Use of Technology in Marketing, Sales, Operations

In recent years, technology innovation and digitization are disrupting almost every process across transportation and logistics enterprises, ranging from methods of shipment, freight management, and supporting administration activities such as documentation and freight payments. Market demand shifts such as same-day shipping and last-mile delivery are game-changers, and emerging blockchain technologies are rapidly accelerating the changes and innovation within the industry.

THE USE OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) AND SALES AUTOMATION PLATFORMS CONTINUES TO GROW

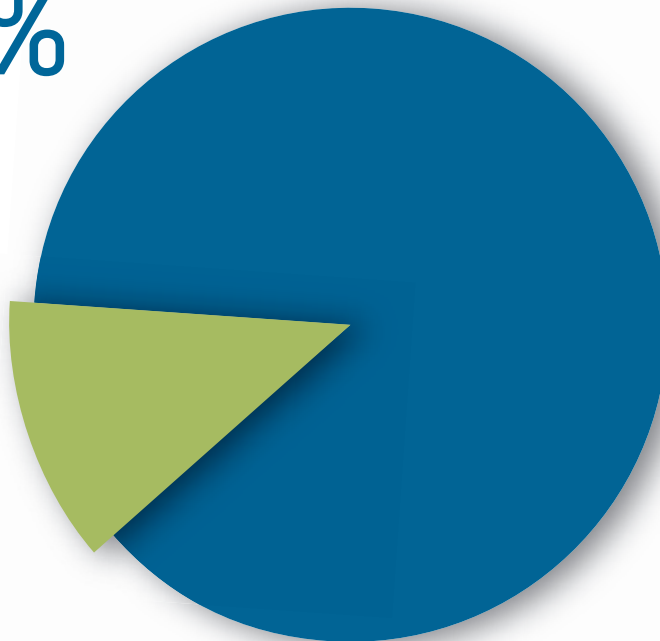
The 2020 TMSA Marketing & Sales Metrics Study underscores that technologies in CRM and sales automation are having a significant impact on “go to market” strategies for companies in transportation and logistics. Marketing automation platforms and heavier investments in content marketing for lead generation and SEO for website performance also are having an impact on marketing strategies in this industry.

The use of customer relationship management (CRM) and sales automation platforms continues to grow. In fact, 87.5% of respondents say they currently use such systems. See Use CRM/Marketing Automation Technology (*Illustration 5*).

ILLUSTRATION | 5 | CRM/MARKETING AUTOMATION TECHNOLOGY

87.5%
YES

12.5%
NO



TOP PLATFORMS USED

HubSpot

act-on

salesforce

Microsoft

ZOHO

Marketo

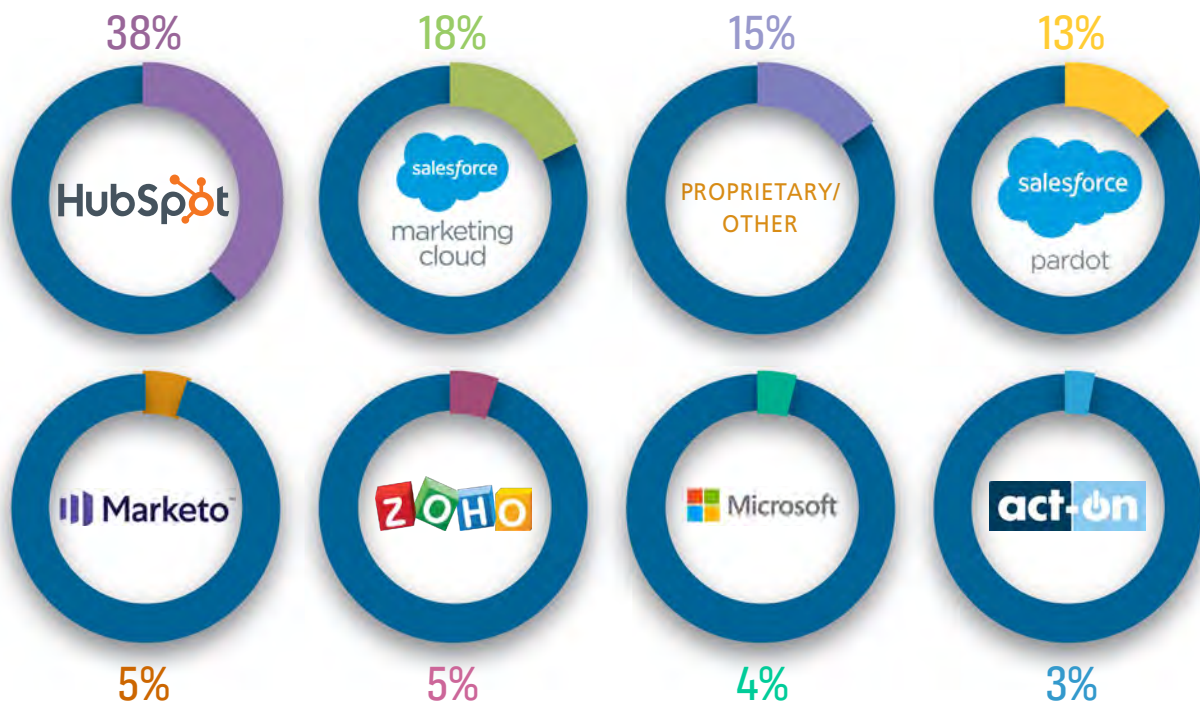


The largest percentage of respondents use Salesforce as their CRM platform (36%), although it appears the use of Salesforce has dropped 5 percentage points from the last survey. An additional 10% use Microsoft Dynamics, but many use other tools such as Winmore (formerly Lanetix), Sugar CRM, or transportation management systems such as Trimble Transportation, McLeod or MercuryGate that have a CRM component to them.

In recent years, more current automation platforms now have built-in CRM features to them as well. See Marketing Automation Usage (*Illustration 6*).

There also is a significant growth in the level of interest in leveraging CRM and automation technology. In fact, a significant number (27%) of respondents anticipate deploying such technology within the next 12 months.

ILLUSTRATION | 6 | MARKETING AUTOMATION USAGE



The Customer Experience (CX)

The Customer Experience (CX) is the result of an interaction between an organization and a customer over the duration of their relationship, and has been an area of business focus in business-to-consumer for many years. Business-to-business is just now catching up to B2C, and there's an emerging trend in the transportation and logistics industry of companies to place more emphasis on strategies that measure and impact CX. In fact, there's so much interest in the industry that the theme of TMSA's annual Logistics Marketing & Sales Conference in 2019 was focused on CX and all the brand touchpoints that can impact CX – ranging from integrated sales and marketing and CRM and systems to research, connected employees, continuous improvement, and culture and leadership. See TMSA's Customer Experience theme graphic (Illustration 7).

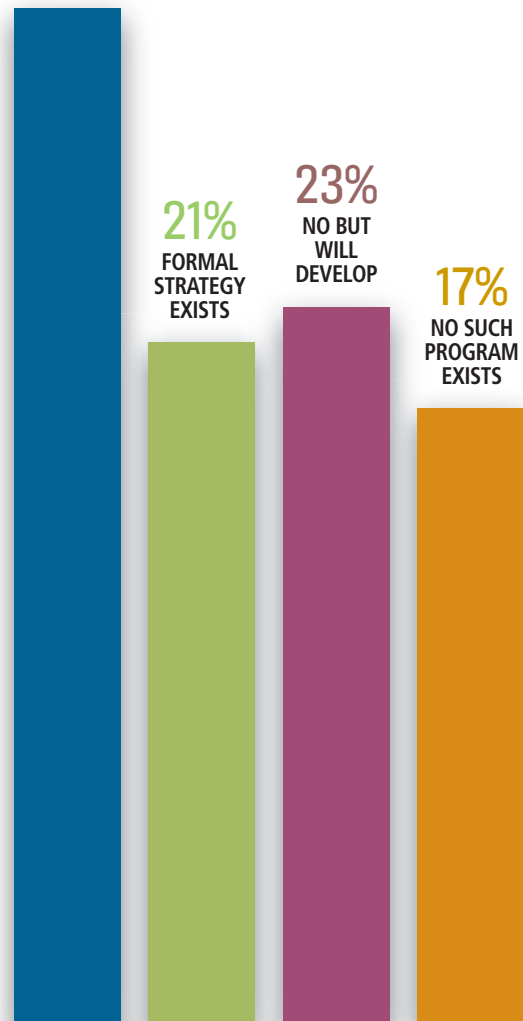
ILLUSTRATION | 7 |
CUSTOMER EXPERIENCE



This year's metrics study is the first in which TMSA asks participants if they have a formal Customer Experience (CX) or Customer Service Review Strategy in place. While 20.5% confirmed they have such a formal strategy in place, another 41% say they have an informal CX strategy that exists but it's not sophisticated or fully documented. Nearly 23% of respondents say there are plans to develop such a strategy in the next 12 months. Only 17% say such a strategy does not current exist nor do they plan on developing one within the next 12 months. See CX & Customer Review Strategy (Illustration 8).

ILLUSTRATION | 8 |
CX & CUSTOMER REVIEW STRATEGY

41%
INFORMAL STRATEGY EXISTS



MARKETING METRICS

Staffing and Talent Management

While there is evidence from data shifts from past TMSA metrics studies that companies in the transportation and logistics industry are placing more strategic importance and allocating more human talent and financial resources toward marketing, branding and communications, it's clear there is room for improvement. This statement is made based upon three primary metrics involving marketing and communications: headcount, highest-level of related title, and budget size.

First, according to the 2020 TMSA Marketing & Sales Metrics Study respondents, there are a wide variety of marketing roles in companies within the transportation and logistics space, including events marketing and management (27%), public relations (25.5%), internal communications (20%), external communications (18%), digital/web/social (8%), and product and field marketing (7%). A large percentage (48%) had a variety of other specific

titles and roles. In particular, respondents indicate their organization's headcount in marketing and/or communications functions are as follows:

- Marketing (Product, Field) roles at 49% for 1 full-time employee (FTE); 25.5% for 2-3 FTEs; 9% for 4-5 FTEs; and 9% for more than 5 FTEs
- Digital/Web/Social roles at 67.5% for 1 FTE; 19% for 2-3 FTEs; 4% for 4-5 FTEs
- External Communications roles at 52.5% for 1 FTE; 24.5% for 2-3 FTEs; and 5% at 4-5 FTEs
- Internal Communications roles at 54% for 1 FTE; 20% for 2-3 FTEs; 3.5% for 4-5 FTEs
- Events roles at 52.5% for 1 FTE; and 18.5% for 2-3 FTEs
- Public Relations roles at 57.5% for 1 FTE; and 15% for 2-3 FTEs

Second, the highest-level Marketing or Communications title tends to be mid- to upper-level: Director (20.5%), Vice President (23.5%), Executive or Senior Vice President (17.5%), and Manager (15%).



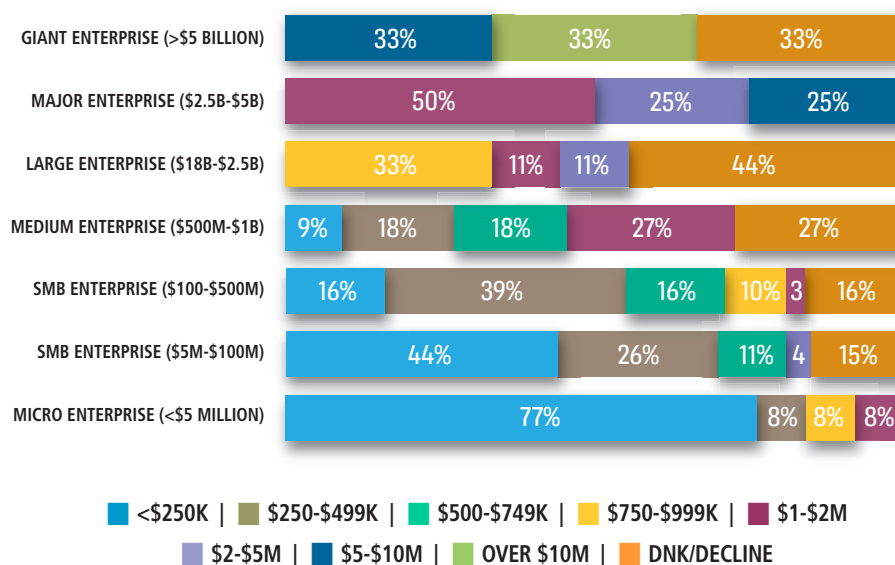
Financial Resources and Budgets

What is the average marketing budget for a 12-month fiscal period? Naturally, there's a clear correlation to the company's overall gross global sales to its budget size. A majority of respondents (77%) representing micro enterprises identify their total marketing budget (to include compensation) in U.S. dollars to be less than \$250k. A majority (70%) of small enterprises with sales between \$5 million and \$100 million report a marketing budget of less than \$499,000. A significant percentage (55%) of small/medium sized business with sales between \$100 million and \$500 million report a marketing budget between \$250,000 and \$749,000. Approximately 45% of medium enterprises with sales between \$500 million and \$1 billion report a marketing budget between \$750,000 and \$2 million.

A significant percentage (33%) of large enterprises with sales between \$1 billion and \$2.5 billion report a marketing budget between \$750,000 and \$999,000. Approximately 50% of major enterprises with sales between \$2.5 billion and \$5 billion report

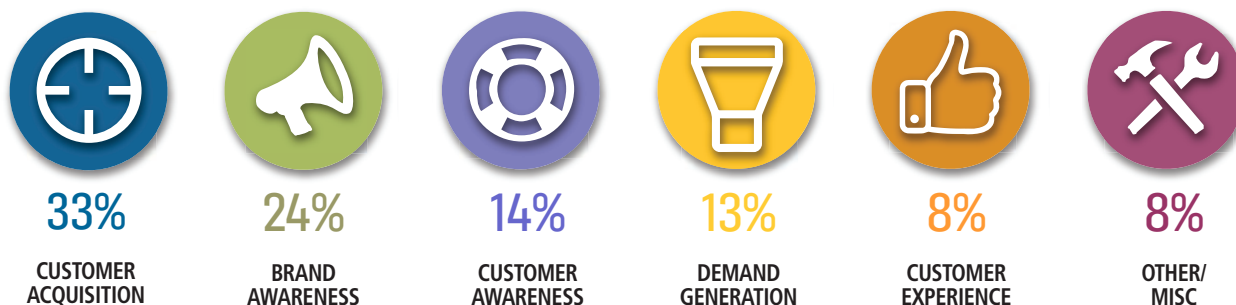
marketing budgets of \$1 million to \$2 million. Approximately 33% of giant enterprises with sales exceeding \$5 billion report a marketing budget of \$5 million to \$10 million, and another 33% report a marketing budget exceeding \$10 million. See Size of Marketing Budget (*Illustration 9*).

ILLUSTRATION | 9 | SIZE OF MARKETING BUDGET



On average, 46% of marketing program budget is allocated to Customer Acquisition/Lead Generation, followed by Brand Awareness at 24%. Other portions of the budget are geared toward Customer Retention/Loyalty, Customer Experience (CX), and other goals. See Marketing Allocation by Goal (*Illustration 10*).

ILLUSTRATION | 10 | MARKETING BUDGET ALLOCATION



Digital Marketing Metrics

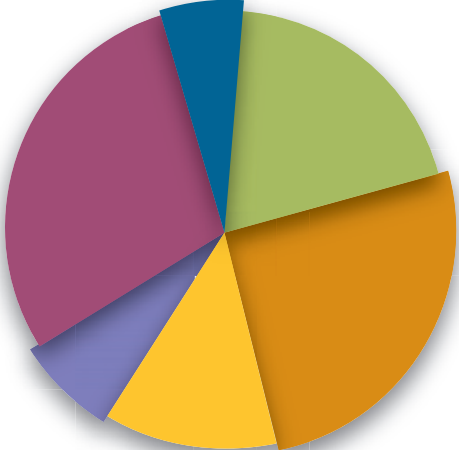
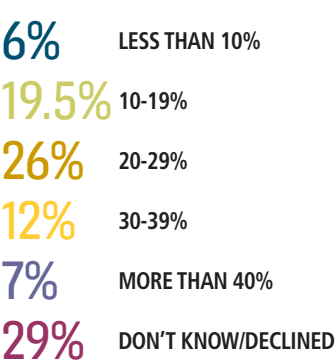
Digital marketing initiatives (such as content marketing, automation, website strategy and SEO, social marketing, and digital advertising) continue to grow in importance in this industry. Let's take a closer look at specific metrics in digital marketing:

- Email marketing continues to be part of the budgets of many, and on average comprises approximately 7% of marketing budgets. According to the DMA's Email Benchmarking Report, email open rates across all industries it monitors average at 18.1% (19.5% for B2C and 15% for B2B). While it's assumed that respondents in the TMSA Metrics Study only use email

marketing strategy that have used permission-based engagement, surprisingly 25.5% experience 20% to 29% open rates and another 19.5% experience 10% to 19% open rates. Another 12% earn a 30% to 39% open rate and 7% achieve more than 40%. This is the first year TMSA has asked about email open rates, so these figures will serve as benchmark data. See Email Average Open Rates (*Illustration 11*).

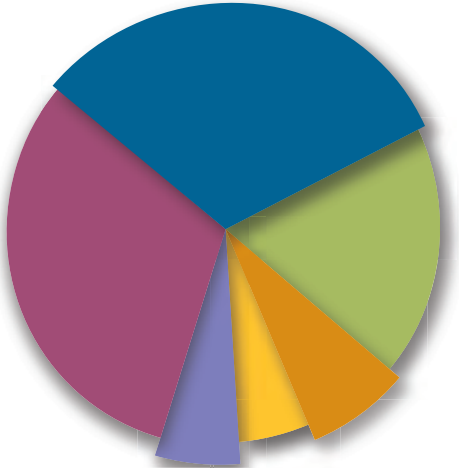
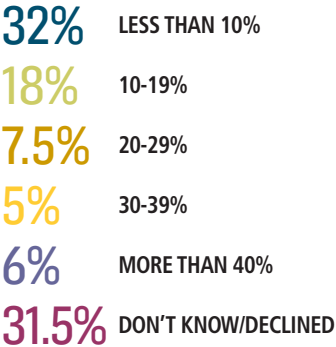
- What are the average click rates for email marketing in the transportation and logistics industry? Nearly 32% say they experience less than 10%; while another 18 experience 10% to 19%. See Email Average Click Rates for Email (*Illustration 12*).

ILLUSTRATION | 11 | EMAIL – AVERAGE OPEN RATES



THIS YEAR IS THE FIRST THAT TMSA HAS INCLUDED MORE DETAILED DIGITAL MARKETING METRICS IN THE STUDY, SO METRICS SUCH AS AVERAGE OPEN RATES, AND AVERAGE CLICK RATES OR EMAILS AND SEARCH ADS THIS YEAR WILL SERVE AS BENCHMARK DATA

ILLUSTRATION | 12 | EMAIL – AVERAGE CLICK RATES

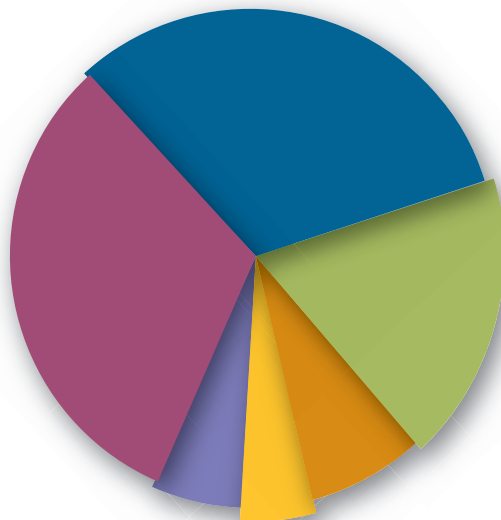
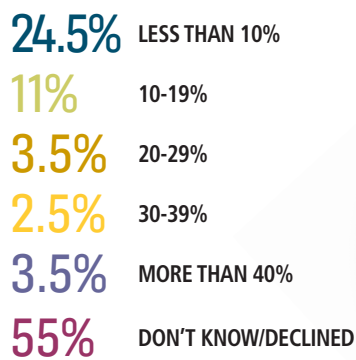




- Digital advertising continues to command a growing percentage of the marketing budget, with search advertising being a significant part. Approximately 24.5% achieve less than 10% average click rates in search advertising, with another 11% achieving 10% to 19% click rates. See Average Click Rates for Search Advertising (Illustration 13).

- Social marketing is on the rise, as evidenced in the rising budgets in digital advertising, website/SEO, and other related digital activities. Most companies have a presence on LinkedIn (93%), Facebook (78.5%), Twitter (63%) and other social channels (23.5%). See Social Media Channels Primarily Used (Illustration 14).

ILLUSTRATION | 13 | SEARCH ADS – AVERAGE CLICK RATES



SOCIAL MARKETING IS ON THE RISE, AS EVIDENCED IN THE RISING BUDGETS IN DIGITAL ADVERTISING, WEBSITE/SEO, AND OTHER RELATED DIGITAL ACTIVITIES

ILLUSTRATION | 14 | SEARCH ADS – SOCIAL MEDIA CHANNELS



Measurement of ROI

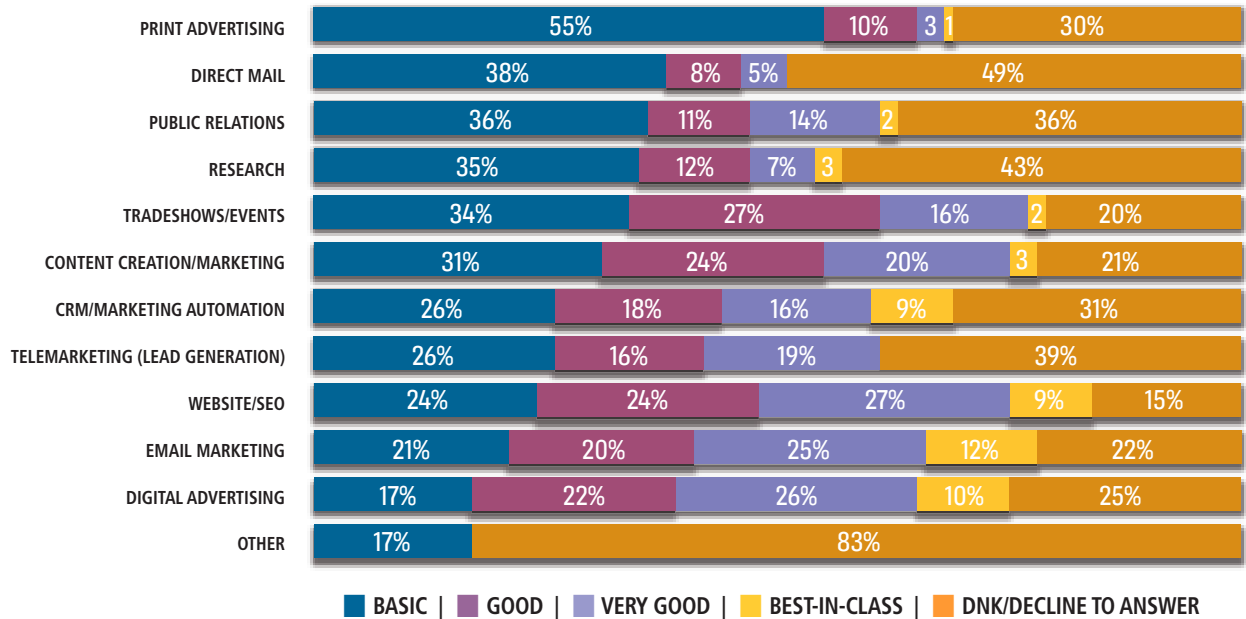
One of the biggest challenges for any professional marketer can be establishing and measuring the return-on-investment (ROI). Respondents were asked to self-grade their ability to track ROI of campaigns and programs in various channels, including print and digital advertising; digital marketing activities such as content creation/digital marketing, CRM/marketing automation, website/SEO, and email marketing; and other activities such as direct mail, public relations (PR), research, tradeshow/events, and telemarketing (lead generation). They were asked to evaluate their ability to track ROI based using one of four levels for each of these channels: Best-In-Class, Very Good, Good, and Basic. They were given the option to respond with “Don’t Know/Decline to Answer” as an alternate response. See Ability to Track ROI by Channel (Illustration 15).

ONE OF THE BIGGEST CHALLENGES FOR ANY PROFESSIONAL MARKETER CAN BE ESTABLISHING AND MEASURING THE RETURN-ON-INVESTMENT (ROI)

Respondents say their organization tracks the metrics listed below:

- Number of inquiries or leads generated from each initiative: Mostly Manual Tracking (30.5%), Mostly Automated Tracking (37%), Do Not Currently Track (18.5%)
- Number of leads assigned to salesperson: Mostly Manual Tracking (35%), Mostly Automated Tracking (nearly 33%), Do Not Currently Track (nearly 16.5%)
- Number of Leads Salespeople Follow Up With: Mostly Manual Tracking (nearly 38.5%), Mostly Automated Tracking (28.5%), Do Not Currently Track (17.5%)
- Number of Leads Converted to Sales Opportunities: Mostly Manual Tracking (nearly 37.5%), Mostly Automated Tracking (more than 36%), Do Not Currently Track (more than 13%)
- Dollar Value of Sales Opportunities Created from Marketing Leads: Mostly Manual Tracking (43%), Mostly Automated Tracking (more than 24.5%), Do Not Currently Track (16%)
- Dollar Value of Sales Opportunities Won from Marketing Leads: Mostly Manual Tracking (nearly 42%), Mostly Automated Tracking (more than 24.5%), Do Not Currently Track (more than 17%)

ILLUSTRATION | 15 | ROI BY CHANNEL



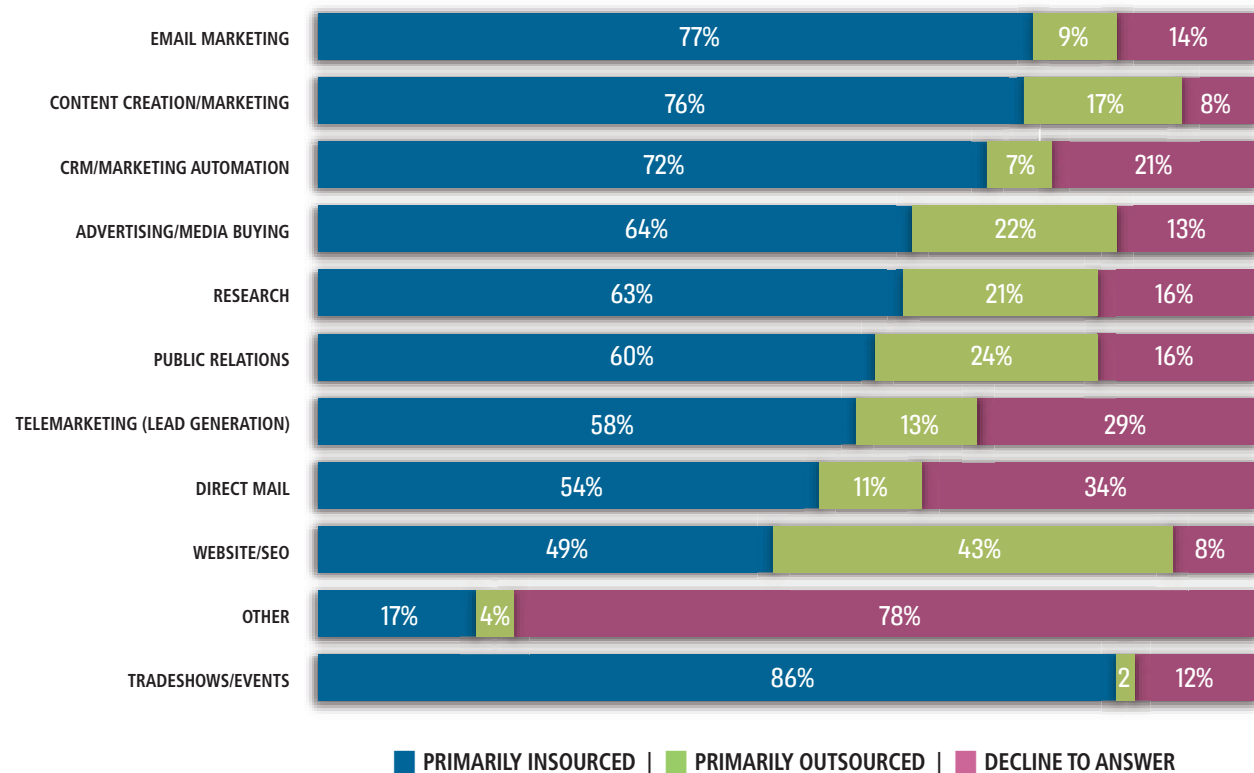


Marketing Outsourcing Practices

We asked if a select group of marketing activities were performed in-house or outsourced. Other than for Website/SEO, Research, and Public Relations, the majority of these activities are performed

in-house. Compared to the previous Metrics Study, companies we've spoken to appear to be moving toward increased outsourcing (or using vendors) for marketing activities. It's assumed the reason for this trend is due to the difficulty in hiring experienced, well-rounded, affordable professionals that understand B2B marketing and our industry. See Marketing Outsourcing (*Illustration 16*).

ILLUSTRATION | 16 | MARKETING OUTSOURCING



SALES METRICS

Staffing, Recruiting, Training

Like most other industries, when it comes to the sales structure within transportation and logistics enterprises they have a large number of front-line sales people who are managed by front-line sales managers. Respondents say they have an average of 25 FTE (full-time equivalent) front-line salespeople who are managed by an average of 4 front-line sales managers.

Many companies in the transportation or logistics space deploy their sales organization by territory (e.g., East, West, Central, etc.), by industry/vertical (e.g., automotive, consumer products, etc.), by named accounts, or by account size (e.g., local or national). See How Sales Organization is Deployed (Illustration 17).

When asked about staff size of their sales and customer service-related teams, respondents clearly are heavy on customer service/support/customer experience (average of 68 FTEs). They also maintain a balance between outside sales professionals (average 17 FTEs) and inside sales professionals who handle the entire sales process from beginning to end (average 13 FTEs). In addition, they noted pricing professionals (average of 7 FTEs) and inside sales positions that are involved in lead generation and qualification only (average 2 FTEs).

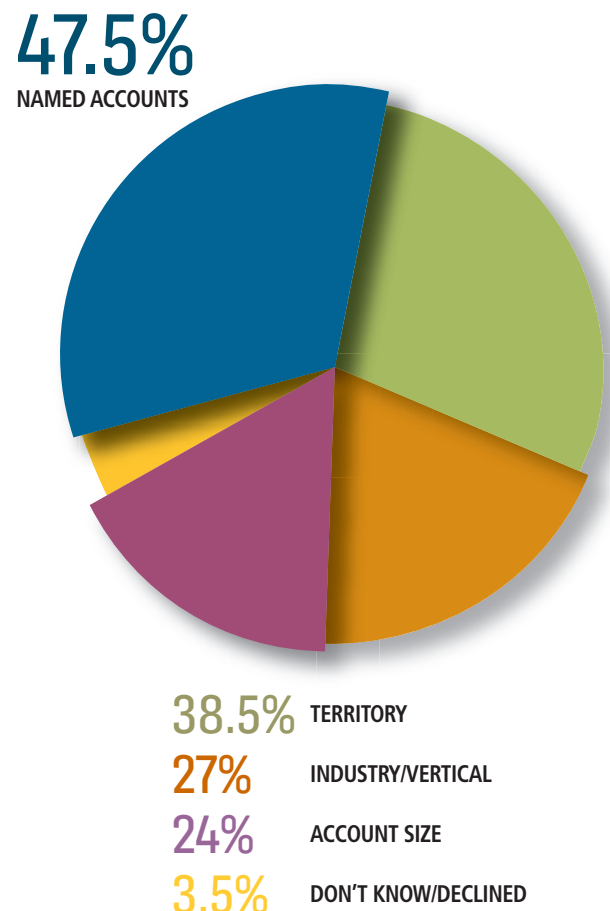
How do companies in the transportation and logistics industry hire new sales talent? Approximately 53.5% hire new talent using a combination of both internal and external resources. Approximately 26% use primarily internal resources, while another 20% use primarily external resources.

Using personality assessments or similar tools can be an effective part of the hiring process. More than 49% of respondents say they use such tools as part of the hiring process and another 11.5% don't currently use such tools but are considering it. Approximately 36% do not use such tools when hiring talent.

The success of a sales professional can depend heavily on the company's upfront investment in effectively onboarding and training that individual. According to the study, 55% of respondents indicate that they have a formal onboarding/orientation process, while another 40.5% say they do not. When asked if they have a formal ongoing sales training program, 16% say they have a comprehensive training program and another 32% say they have one but it's limited and somewhat inadequate. More than 37.5% say they do not have a formal sales training program, so this clearly is an opportunity for improvement in the industry.

More than 65% say they completely develop and manage sales training through internal resources. Approximately 37.5% say they partially outsource sales training and use a combination of internal and external resources.

ILLUSTRATION | 17 |
HOW SALES ORGANIZATION IS DEPLOYED





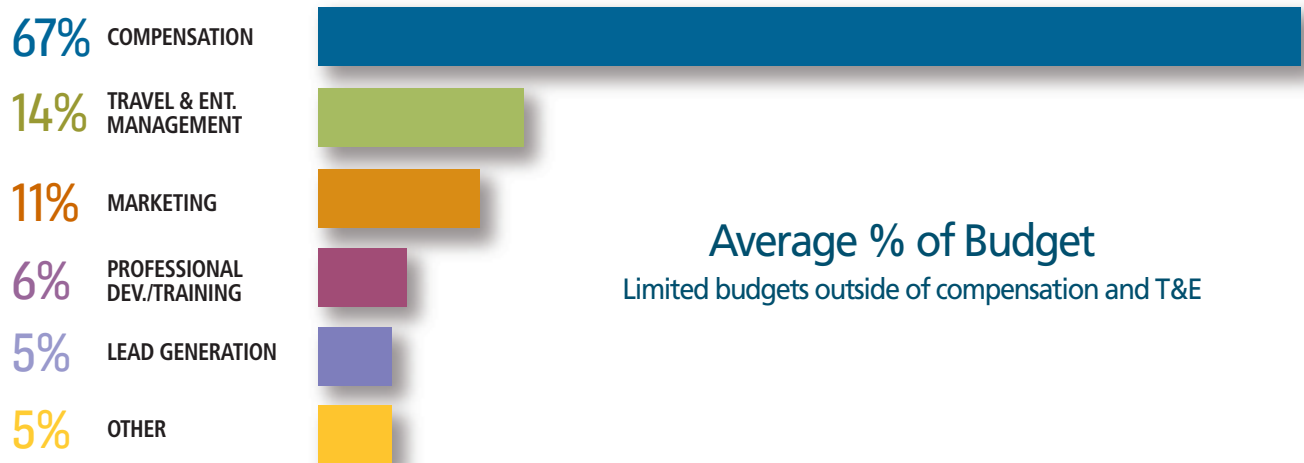
PERFORMANCE MEASUREMENT AND COMPENSATION

Financial Resources and Budgets

In transportation and logistics, what are the average sales budget for a 12-month fiscal period? Given 74.5% of companies participating in this year's study are under \$500 million in total gross sales, it's not surprising that 43% of respondents have sales budgets of less than \$1 million. Another 23.5% have sales budgets between \$1 million and \$5 million. These budget figures include all salaries, commissions, travel, entertainment, training, etc. See Total Sales Budget (*Illustration 18*).

What currently comprises sales budgets? Compensation (including base salaries, commissions, bonuses, benefits) comprises 67% of the sales budget, compared with 76% reported in last year's study. Travel and entertainment make up 14% of the sales budget, compared with 15% reported last year. Approximately 6% involved professional development and training, compared to 5% reported last year – which is under-weighted in sales budgets as compared to other industries with complex or solutions sales. The remaining percentage (13%) involved marketing and lead generation (if marketing is included in the sales budget, which can be a somewhat common practice in smaller companies).

ILLUSTRATION | 18 | TOTAL SALES BUDGET



Sales Measurement and Success

Companies use a wide variety of sales channels to generate sales. While the vast majority of sales is generated through conventional outside and inside sales employees, companies also use non-conventional channels that include outside sales contractors, third-party channel partners and e-commerce (purchased via website). See Sales Contribution by Source (Illustration 19).

Measuring performance by sales organization and by individual sales professional continues to be important to enterprises in the transportation and logistics industry, primarily because such measurements are an indicator of the effectiveness and performance of various sales processes within an organization. Key performance indicators measured range from new sales/new customers, new leads/prospects in the pipeline, and lead-to-sale conversion rate to cost per lead, cost per conversion, customer turnover rate, and net promoter scores (how likely a customer is to recommend your brand or service to another).

ILLUSTRATION | 19 |
SALES CONTRIBUTION BY SOURCE

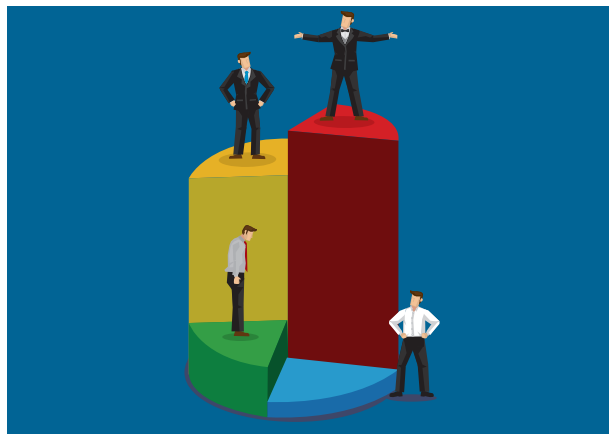


Average Contribution
Inside Sales Remains Significant Contributor to Revenue

Companies in many industries constantly measure the progress of their business, in part, by tracking how much their employees cost versus the sales they generate (“employee sales versus cost ratio”). This figure tells how well the company is allocating money in terms of hiring people who can generate income. This year, a new question was asked: Does the organization identify cost per sales FTE? Nearly 14% of respondents confirmed they do, while a majority say they do not (nearly 67%). The remainder of respondents (19%) do not know or declined to answer. TMSA will use this as a benchmark metric in future studies.

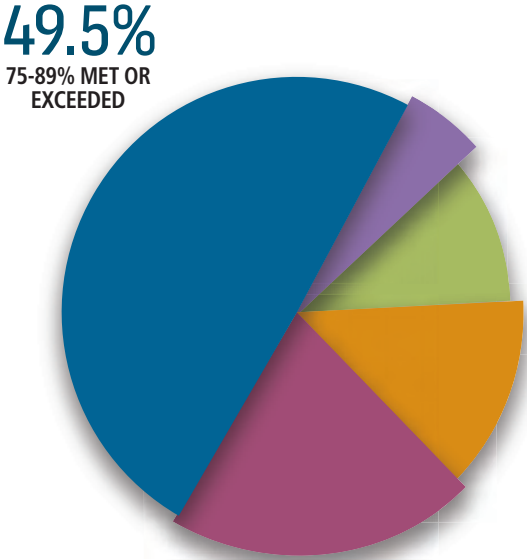
Sales performance measurement is critical to the success of any sales organization, and companies in this space aggressively use technology. In fact, 22% of respondents report that their sales compensation and sales reporting is fully automated and more than 60% say it’s somewhat automated. Only 17.5% manage their sales compensation and reporting manually.

SALES PERFORMANCE MEASUREMENT IS CRITICAL TO THE SUCCESS OF ANY SALES ORGANIZATION, AND COMPANIES IN THIS SPACE AGGRESSIVELY USE TECHNOLOGY



Many companies measure the sales organization's overall results versus quota for the last fiscal year. A significant number achieved 90% to 100% of its quota (49%). Yet, a sizeable number of responding companies fell short in their goals: 13% achieved only 75% to 90% of their quotas, and an alarming number (nearly 17%) fell below 75% of their quote. This begs the question of whether or not this is an indication of sales performance or setting realistic quotas in the first place. See Sales Organizations Achieving Quota (*Illustration 20*).

ILLUSTRATION | 20 |
SALES ORGANIZATIONS ACHIEVING QUOTA

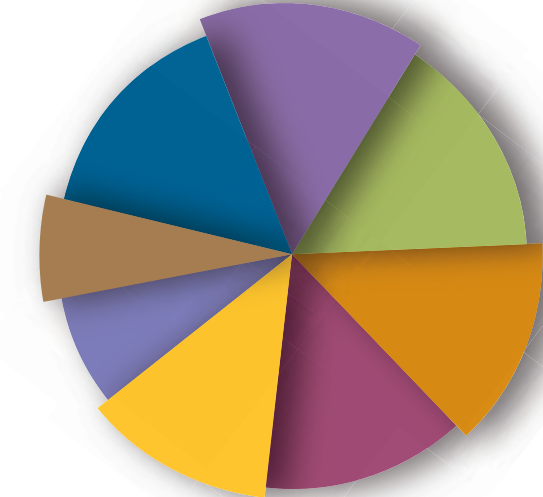


- 5.5% <50% MET OR EXCEEDED
- 11% 50-74% MET OR EXCEEDED
- 13% 75-89% MET OR EXCEEDED
- 21% 75-89% MET OR EXCEEDED

So how do companies regularly track and measure sales performance by individual sales performance? The most common metrics used are Average Sales Value, Percentage of Quota Attained (Sold versus Quota), and Win Ratio, which is calculated by Dollars won divided by (Dollars Won + Dollars Lost). Additional key performance indicators include Number of Sales Calls Made and Number of Proposals/Quotes Made. See Metrics Used to Measure Salesperson Success (*Illustration 21*).

Using these various metrics, how successful are sales individuals at achieving their sales quotas? According to respondents, 46.5% met or exceeded their quota; achieve between 75% and 100% of their quota; and another 22.5% achieve between 50% and 74% of their quota. This is in stark contrast with the last study's results, which depicted that only 21% met or exceeded their quota; 30% achieved 50% - 74% of their quota. As with quotas set for the sales organization at large, both years raise the question of whether or not this is an indication of sales performance set for individuals or if realistic quotas are being established in the first place.

ILLUSTRATION | 21 |
MEASURING SALESPERSON SUCCESS



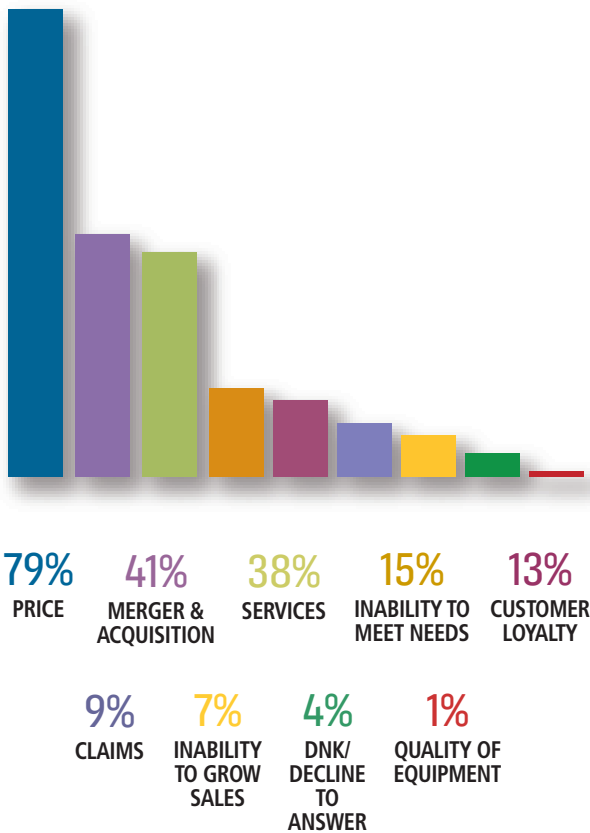
- 45% % OF QUOTA ATTAINED
- 45% AVERAGE SALES VALUE
- 43.5% WIN RATIO (WINS VS. LOSS)
- 41% WIN RATIO (BY DOLLARS)
- 39.5% # OF SALES CALLS MADE
- 36.5% # OF PROPOSALS/QUOTES MADE
- 22.5% APPTS. WITH DECISION-MAKERS
- 19.5% OTHER

What are the underlying factors of why salespeople underperform against their sales quota? Nearly 41% simply have poor sales performance, while another 23% experience dramatic changes in major accounts that impact their sales performance.

Reasons Driving Loss of Business

While there are times when losing business is out of your control, there are other instances where it's a reason that was fully in your control. Such is the case with companies in transportation and logistics. Unfortunately, despite the industry trying to provide added value that helps to retain (and even grow) business, the commercial freight industry is still very commoditized. To this point, 79.5% say price was the primary factor for their company losing business from its customer base. With a rapidly changing market that is consolidating, another 41% say mergers and acquisitions were the reason for business loss. Other primary factors mentioned include service, ability to meet comprehensive needs (i.e., multiple modes, broad range of capabilities), customer loyalty, claims, and the inability to grow/expand as customer needs dictate. See Reasons for Loss of Business (*Illustration 22*).

ILLUSTRATION | 22 |
REASONS FOR LOSS OF BUSINESS

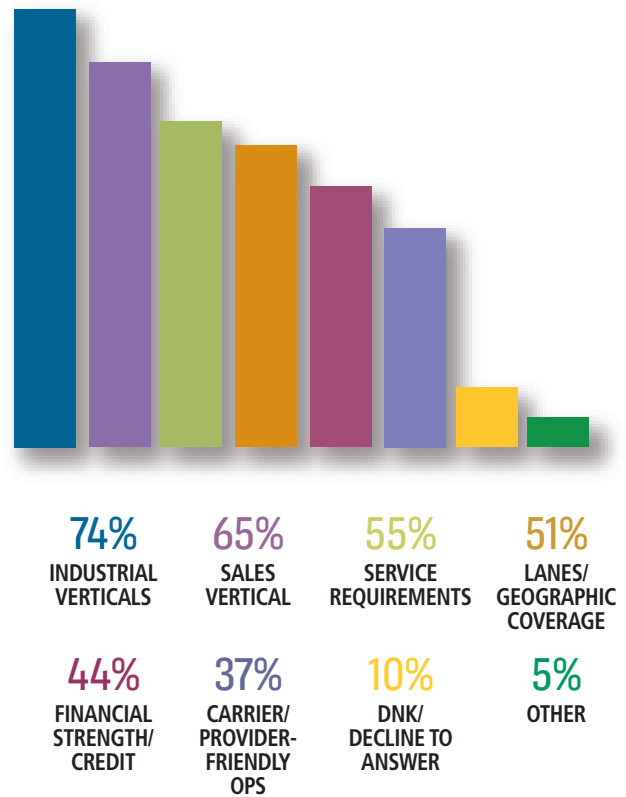


Lead Generation Strategy

Given current market conditions, aggressive lead generation continues to be of significant interest to sales and marketing professionals in the industry. They're investing significant energy and resources to create a robust strategy that will attract and convert prospects into a potential buyer who will have a reasonable interest in their products or services.

An emerging trend in successful lead generation strategy is to develop an accurate and detailed buyer persona. This includes identifying factors that ultimately comprise an optimum sales lead. Respondents say these are the most critical characteristics that help to identify the most effective, targeted lead: industry vertical (i.e., consumer goods, chemical, retail, etc.), service vertical (dry van, refrigerated, intermodal, flatbed, etc.), service requirements (i.e., delivery and transit times, etc.), lanes/geographic coverage requirements, and financial strength/credit. See Factors in Developing Optimum Sales Lead (*Illustration 23*).

ILLUSTRATION | 23 |
DEVELOPING OPTIMUM SALES LEAD





Conclusion

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.

TMSA IS THE ONLY ASSOCIATION SERVING MARKETING, COMMUNICATIONS AND SALES EXECUTIVES IN ALL MARKET SEGMENTS IN TRANSPORTATION AND LOGISTICS

The survey will continue to be published in summary form free to members of the Transportation Marketing & Sales Association and at a modest cost to non-TMSA members and TMSA Virtual 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.

About the Transportation Marketing & Sales Association (TMSA)

TMSA is the only association serving marketing, communications and sales executives in all market segments in transportation and logistics. Through TMSA, marketing and sales professionals learn about and advance the industry through education, connections and resources – ultimately strengthening their individual development, their businesses and the industry-at-large. Companies involved with TMSA generate over \$500 billion in revenue and invest sizeable sales and marketing budgets to maintain and grow their revenue.



Copyright Notice

This document represents original research conducted on behalf of the Transportation Marketing & Sales Association (TMSA) and was produced to provide market intelligence value to all TMSA members and other marketing and sales practitioners in the transportation and logistics industries. You may not retransmit or redistribute this document without the written permission from TMSA. You may not upload any of this material to any public server, online service, network, or bulletin board without prior permission from TMSA.