TOPO

RESEARCH REPORT

SALES DEVELOPMENT TECHNOLOGY REPORT 2019

A detailed analysis of the sales development technology market, trends, and benchmarks

Dan Gottlieb, *Sales Development Analyst*

Jeffrey L. Cohen, *Analyst*

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By Dan Gottlieb and Jeffrey L. Cohen
With Omar Hashwi
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The sales development technology stack is one of the most important elements of how teams go to market. This report combines technology usage by high-growth companies with TOPO recommendations and analysis of the technology marketplace to guide sales development leaders in their technology investment.

TABLE OF CONTENTS

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Sales Enablement Market Guide, June 2019

INTRODUCTION AND TAKEAWAYS

The sales development technology stack supports how an organization prospects, regardless of the go-to-market strategy used. It is the collection of software tools that help sales development representative (SDR) leaders develop programs and processes for the SDRs who—in turn—plan, execute, track, and optimize their interactions with prospects and customers. Organizations often purchase technology as they need it. However, a tech stack should be built according to a plan with every component designed to serve a specific purpose. The tools interact with each other in ways that provide maximum efficiency.

Technology, along with people and process, is responsible for delivering results. Many of the technologies discussed in this report also serve sales and marketing teams. Implementation and management of these software tools can improve alignment across all three functions.

This report presents TOPO's observations of the technology marketplace, in general and by category; a survey of technology usage, impact, and satisfaction of go-to-market (GTM) leaders at high-growth companies; and recommendations for sales development leaders looking to make upcoming technology investments.

Key takeaways

Data is driving much needed innovation in the SDR stack. Sales development teams are leveraging account data and contact data solutions to keep prospect and customer information up to date, as well as using intent data to prioritize an SDR's daily workflow and suggest next best actions.

Multiple vendors across various categories want to own the SDR platform. Every point solution in the sales development and sales tech space is trying to expand up, down, and sideways across functions and funnel stages to become a comprehensive platform that controls the flow of information for an organization.

Artificial intelligence is present in the background of the SDR tech stack. The vendors making the most progress incorporating AI into sales development tech are the ones that leverage it seamlessly in the background and provide insights to SDRs to improve the efficiency and effectiveness of their jobs.

SURVEY OVERVIEW

Objective

TOPO studied marketing, sales, and sales development teams to understand how they build and manage their technology stacks. In this report, which is focused on the sales development tech stack, we sought to answer the question of how the best sales development teams use technology today, considering both account based and volume/velocity approaches.

Methodology

TOPO fielded a series of online surveys to marketing, sales, and sales development leaders to understand their technology usage (see Figure 1). The survey was completed by 297 respondents at 273 high-growth companies, composed of a mix of TOPO clients and other high-performing companies.

Survey Summary (Figure 1)

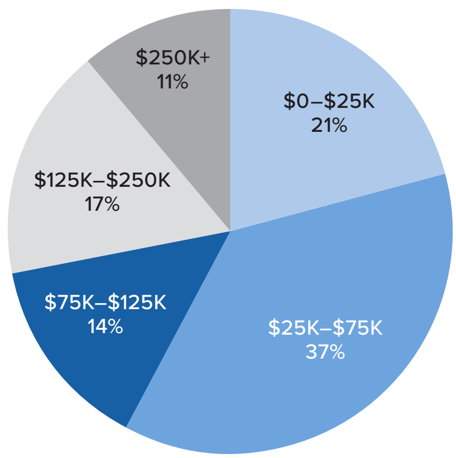
SUMMARY	
# of Survey Respondents	297
# of Companies Surveyed	273
Data Collected	Q3 2019

DEMOGRAPHICS

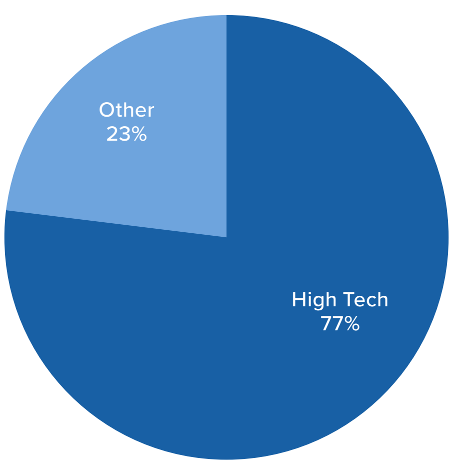
The survey respondents represent high-growth companies, which are mostly from high-tech industries. The median annual contract value (ACV) of their deals ranges from $25,000 to $75,000. Seventy-three percent of survey respondents are director level or above (see Figure 2).

Survey Demographics (Figure 2)

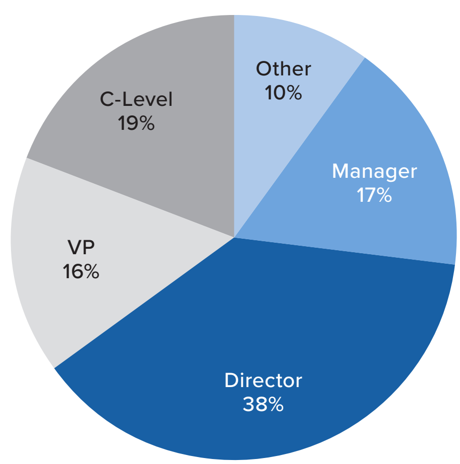
Annual Contract Value (ACV)



Industry



Titles



MARKET TRENDS AND ANALYSIS

- **Data is driving much needed innovation in the SDR stack.** Account data and contact data solutions are critical for keeping prospect and customer information up to date, but sales development teams are leveraging intent data to prioritize an SDR's daily workflow and suggest next best actions. This includes stand-alone solutions and ones integrated and provided by sales engagement platforms. This is the biggest innovation in outbound prospecting in quite some time and in the next two years, we expect four to five data sources will be regularly fed to SDRs.
- **Artificial intelligence is present in the SDR tech stack, but it's not being used by the SDRs.** The vendors making the most progress incorporating AI into sales development are the ones that leverage it seamlessly in the background and provide insights to SDRs to improve the efficiency and effectiveness of their jobs. Automated tasks like chatbots responding and routing prospects will enable SDR human resources to be spent on more valuable activities; tools that can help SDRs make decisions to optimize their messages for greater relevance and a higher likelihood of a response will help the sales development organization produce a higher volume of quality opportunities.
- **The most significant development to watch is that multiple vendors across various categories want to own the SDR platform.** Sales engagement platforms have become the tool that is the center of the sales development world and have replaced the CRM as the daily dashboard for SDRs, but this is part of a larger trend. Every point solution in the sales development and sales tech space is trying to expand up, down, and sideways across functions and funnel stages to become a comprehensive platform that sits on top of the CRM and controls the flow of information. This is more than a desktop takeover, but a tech stack takeover as solutions try to access as much engagement data as they can to support deal management, pipeline management, and recommended next best actions.
- **LinkedIn's impact is expanding in the SDR's daily life with a growing presence.** The social network is transitioning from being more than just an online information resource and prospect communication channel to a key part of the SDR tech stack. LinkedIn's latest updates include data validation for keeping contact data clean and prospecting triggers for alerting SDRs of activity that creates context for a message. This is the most existential threat to the dominance of the sales engagement platforms.
- **Technology innovation has created new SDR processes and organization design.** The explosion of chat as an inbound channel with the growth of Drift has caused teams to rethink how they are organized and what roles SDRs play in the prospecting process. As the number of leads from chat grows, organizations are considering selecting certain SDRs to specialize in chat responses because the automated tool may have already qualified the prospect and shared content that demonstrated value in the solution.

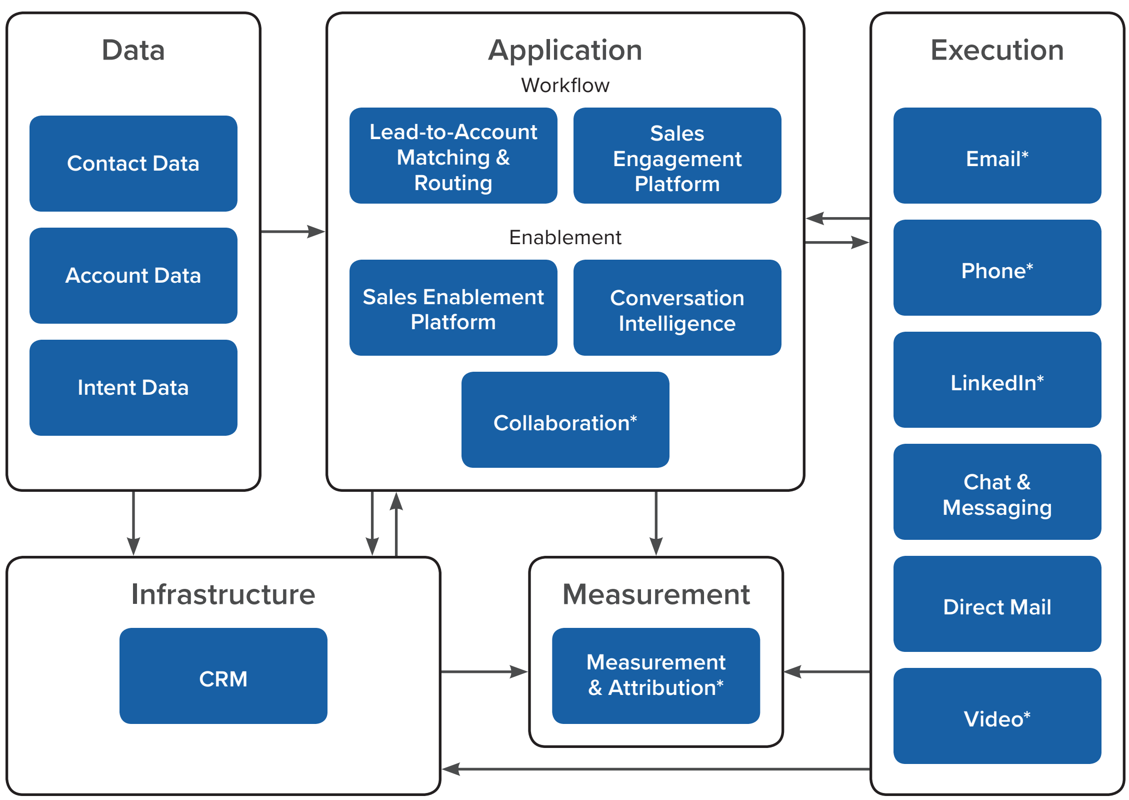
TECHNOLOGY STACK

The tools that enable and implement sales development program success

The sales development technology stack is organized into five master categories that interact with each other (see Figure 3).

- **Infrastructure:** The foundation of the tech stack, which contains the contact database and serves as the central repository of information for the organization
- **Data:** External sources of information about accounts, contacts, and prospect intent that provide, update, and enrich existing records in other systems
- **Application:** Core and shared systems that enable the processing of information in support of sales development programs
- **Execution:** The systems that implement sales development programs
- **Measurement:** Tools that track the success of sales development programs in meeting organizational goals

Sales Development Technology Stack (Figure 3)



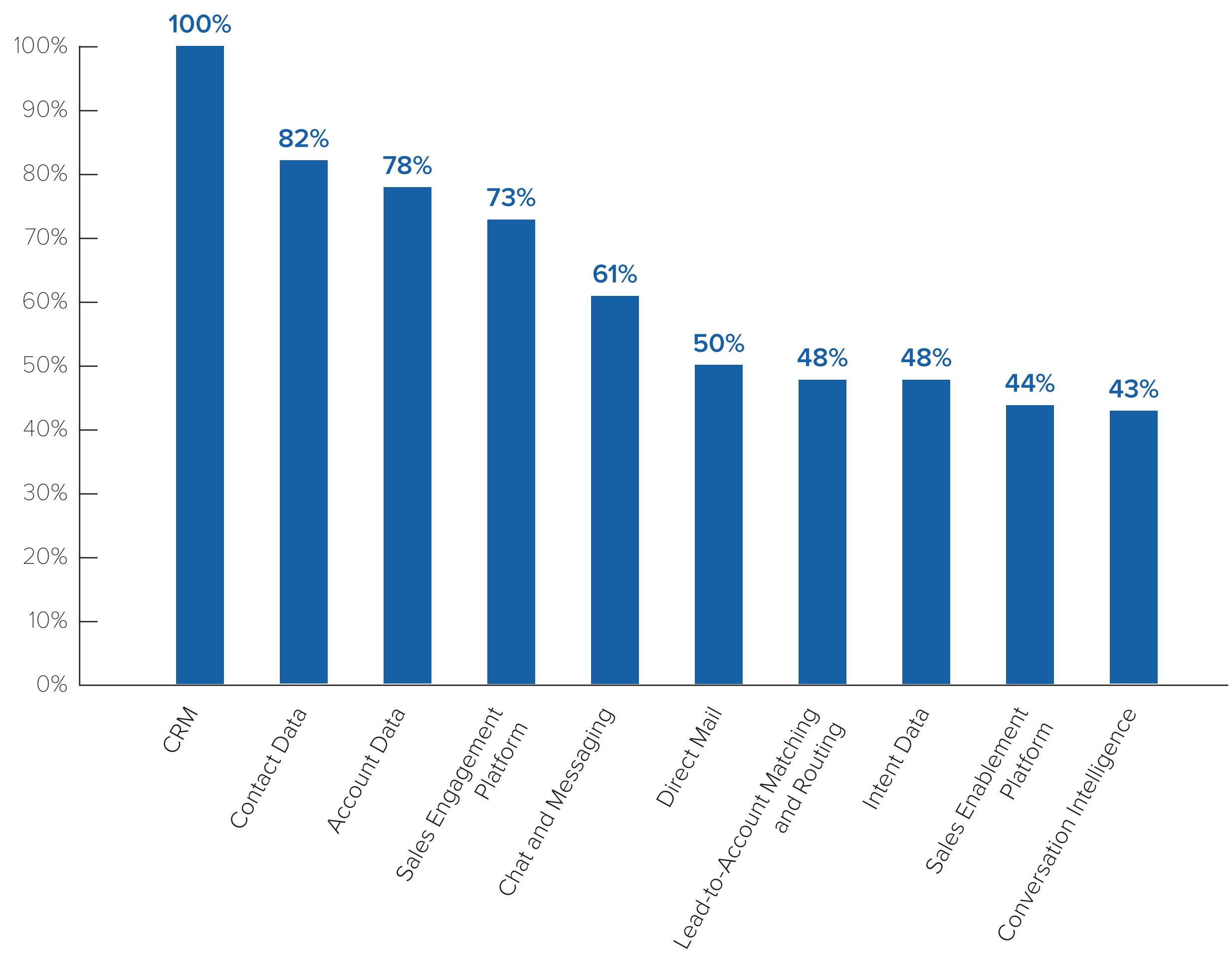
*Category not included in this report

TECHNOLOGY USAGE, IMPACT, AND SATISFACTION

Usage divides vendor categories into two groupings

We surveyed high-growth companies on the usage of 10 technology categories in the sales development tech stack (see Figure 4). The usage patterns revealed aligns these technologies in two groups: most common technologies and emerging technologies.

Technology Category Usage (Figure 4)



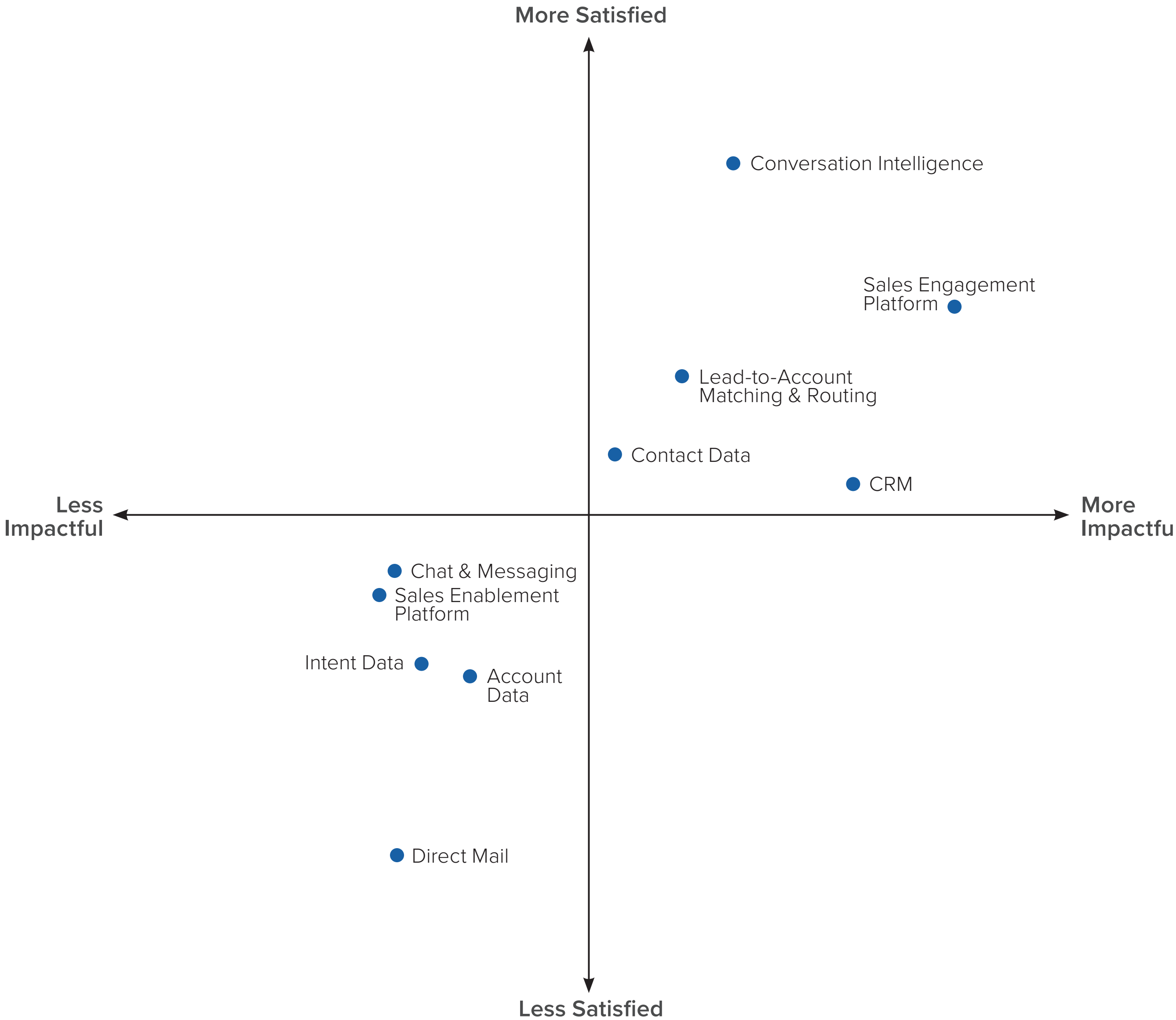
The most common technologies are the categories with usage rates above 70%. These include the tools that nearly every modern organization uses, but especially high-growth companies—the CRM, which is the single source of information for contacts and accounts and the basis for all digital tracking of all sales activities. Contact data and account data solutions come in at 82% and 78%, respectively. Every GTM organization needs up-to-date contact and account information to connect with prospects, and the most robust of these solutions integrate with the CRM. Sales engagement platforms are used by 73% of organizations. These are the day-to-day activity consoles for all SDRs.

The group of emerging technologies includes the fastest growing category, intent data. This technology has not reached 70% usage yet, but as the third, and arguably most significant data category, it stands among other technologies on the verge of explosive growth. Sales enablement platforms and conversation intelligence, at 44% and 43%, are also poised for huge growth as they provide transformational technologies to companies.

Sales tech tools that are the most impactful provide the most satisfaction

Users of specific technology categories responded to how impactful the tools were and how satisfied they were with them. Looking at Figure 5 where each category is plotted against those two measures shows that they are largely correlated. The axes represent the mean score of all categories. Software that is the most impactful also has the most satisfied users.

Technology Category Impact and Satisfaction (Figure 5)



Sales engagement platforms are the most impactful tool used by GTM organizations, and users are very satisfied. The most satisfied users are those who have implemented conversation intelligence tools. The other categories that appear in the upper right are tools that help SDRs do their jobs better: lead-to-account matching and routing and contact data, although having the most up-to-date contact data is critical for all sales development teams.

The lower left quadrant shows the tools that have less impact and satisfaction in the minds of the users, but many are up and coming in the tech stack. Several of these categories are emerging and organizations are still developing workflows and process integration around these tools. Early adopters of intent data are seeing success already in prospecting, but its adoption is still on the rise. Product category maturity and time to results influence satisfaction scores. Account data perception, on the other hand, depends on how helpful it is with prospecting in an account based environment. This can lead to a lower perceived impact as the raw data itself may not be viewed as actionable as expected.

TECHNOLOGY SPEND

The majority of sales development leaders do not anticipate an increase in tech spend in the coming year

More than 60% of sales development leaders expect to not increase their technology spend or to increase it only slightly over the next year (see Figure 6). That is 10% more than sales leaders responding to the same question. This suggests a market that is leveling out from the high period in sales development tech spending of previous years.

This limited spend expectation is driven by a number of factors:

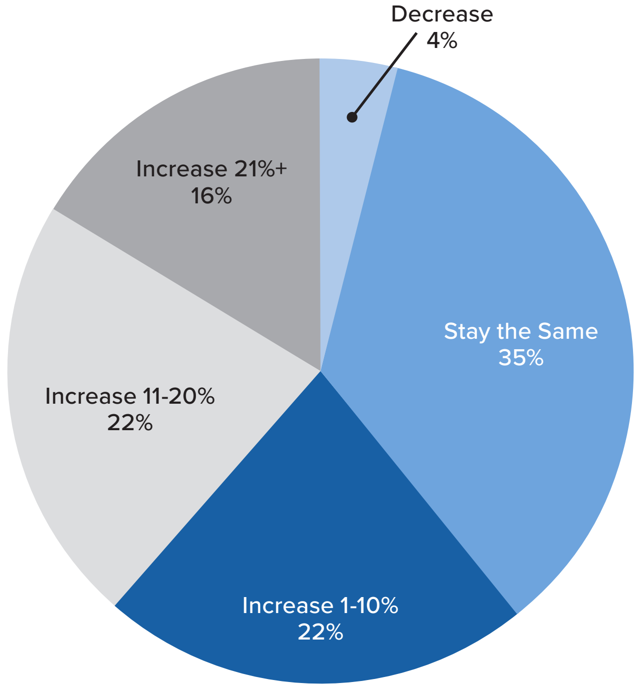
- Innovation in the sales development tech stack is being addressed by foundational platforms
- Trend toward maximizing use and results from currently installed platforms
- Existing solutions expanding their core functions with product updates and acquisitions
- Shared technology ownership with marketing or other functions

Sales development leaders who have not yet invested in technologies such as conversation intelligence or intent data need to do so in the next 18 months, as that will have a significant impact on the effectiveness of their teams.

The median annual technology spend per SDR reported by sales development leaders was $7,500. This spend was the same for small and large teams. These results are on the low end of TOPO's recommendation range of $7,000-$9,000 per SDR per year.

In this environment, it is incumbent upon technology vendors to sell hard to their best prospects, emphasizing a compelling value message that ties their solutions to increased sales success for the customer.

Sales Development Technology Change in Spend in Next 12 Months (Figure 6)



INFRASTRUCTURE

CRM

Description: The CRM is the primary system of record for sales and marketing, which is used for managing all customer relationships and interactions, reporting, and analytics.

Analysis: CRM vendors (see Figure 7) are focusing on their ability to connect with customer data platforms (CDP) and deliver a seamless customer experience. From a sales development perspective, the CRM is critical to their efforts, but rarely owned by them. The CDP is fast becoming a feature in other platforms besides the CRM (e.g., account based platforms). This will create a competitive environment for the CRM providers competing with third party apps that connect to their system.

As the leader of the category, Salesforce continues to dominate all vendors. The SMB space is more competitive with additional players like HubSpot, as it is the only place where replacing a CRM is really an option. Companies with complementary initial products are entering the CRM space with clients in the SMB space (e.g., Freshsales) due to market demand for consolidation of the tech stack.

CRM Vendors (Figure 7)

CATEGORY: CRM		
Usage	**Impact**	**Satisfaction**
100%	75%	71%
Leading Vendors	**Vendors**	
Microsoft Dynamics Salesforce	Copper Freshsales HubSpot Insightly Oracle CRM	Pipedrive SAP CRM Sugar CRM Zoho

DATA

Contact Data

Description: Contact data solutions provide contact and demographic data and insights on individuals.

Analysis: While more than eight out of 10 sales professionals use LinkedIn for contact data, its CRM integration is limited. The acquisition of ZoomInfo by DiscoverOrg, now collectively called ZoomInfo, has also dominated the contact data space with tools that can update direct contact information (phone numbers, email addresses, and accurate titles) with CRM integration.

We anticipate the contact data market to get crowded again with current vendors (see Figure 8) growing and new vendors entering the scene, especially in the SMB space. Organizations use vendors like Leadspace, Synthio, or Growlabs to quickly source contacts for programs. LeadIQ and Lusha focus on Sales Navigator and mobile contacts as examples of working to create their own niche to standout against the leaders.

The lines between vendors continue to blur as contact data providers add intent data to their offerings with integrations to tools like Bombora. Contact data quality has always been critical to the database, but the need for clean data is heightened as organizations try to centralize data and leverage machine learning and AI against this data.

Contact Data Vendors (Figure 8)

CATEGORY: CONTACT DATA		
Usage	**Impact**	**Satisfaction**
82%	64%	73%
Leading Vendors	**Vendors**	
LinkedIn Sales Navigator	Apollo	LeadIQ
ZoomInfo	Clearbit	Leadspace
	Dun & Bradstreet	Lusha
	EverString	Mintigo (Anaplan)
	Growlabs (RollWorks)	RocketReach
	LeadGenius	Synthio

Account Data

Description: Account data vendors provide account-level insights with firmographic and technographic data that can be used to develop relevant, high-value programs.

Analysis: The importance of a well-built target account list makes account data a key part of the marketing and sales tech stacks, and the combined juggernaut of DiscoverOrg and ZoomInfo leads the space. Leaders are primarily winning based on raw account data. Clearbit and HG Insights are often used for account enrichment, while 6sense and EverString are securing deals involving account intelligence (see Figure 9).

Data cleanliness is just as important to account data as it is to contact data. Combine these needs with the continued movement toward account based strategies and account data will continue to be standard in the data tech stack. Enhanced insights such as intent data and technographics increase the actionability of account data in organizations today. Organizations will continue to invest in multiple sources to ensure their database has the data thoroughness and quality required for insights.

Account Data Vendors (Figure 9)

CATEGORY: ACCOUNT DATA		
Usage	**Impact**	**Satisfaction**
78%	54%	63%
Leading Vendors	**Vendors**	
Dun & Bradstreet	6sense	LeadGenius
Oracle DataFox	Clearbit	LeadIQ
ZoomInfo	D&B Lattice	Leadspace
	EverString	LinkedIn Sales Navigator
	HG Insights	Node
	InsideView	PitchBook

Intent Data

Description: Intent data solutions provide information on specific topics a company is researching on the internet.

Analysis: Intent data has been one of the hottest markets in the martech/sales tech space for the last year and a half (see Figure 10). The category serves both marketing and sales use cases, with many companies purchasing tools for their use in sales development prospecting. More marketing-focused vendors are often evaluated like lead generation providers.

As organizations across all B2B industries want to become more data-centric, they are buying multiple data sources. We expect to see more vendors add their own intent data sets into the space. The most important story for all intent data vendors will be activation and the vendors who can provide a platform with the most actionable data will win market share.

Intent Data Vendors (Figure 10)

CATEGORY: INTENT DATA		
Usage	**Impact**	**Satisfaction**
48%	51%	58%
Leading Vendors	**Vendors**	
6sense	Big Willow/Aberdeen	Mintigo (Anaplan)
Bombora	BrightTALK	MRP/Prelytix
Demandbase	D&B Lattice	NetLine
G2	EverString	TechTarget
	Madison Logic	

APPLICATION: WORKFLOW

Lead-to-Account Matching and Routing

Description: Lead-to-account matching and routing technology associates leads, contacts, and opportunities with the correct accounts in the CRM and provides the rules and functionality for routing to the assigned sales rep or other internal contacts.

Analysis: Lead-to-account matching is absolutely required for high-growth organizations running account based programs but less than half of companies surveyed are using it (see Figure 11). Over the last couple of years, we've seen significant traction for complex lead routing for organizations with high volumes of leads and complex territory design. These solutions are the only way to organize data in the CRM into an account-centric view for account based programs and to ensure leads are routed properly. This can have a significant impact on conversion rates.

Lead-to-account matching is popular with high-growth companies and early adopters, but there is still significant greenfield in the Salesforce ecosystem. The space is morphing into a revenue operations platform to support workflows across the entire lifecycle. This will help turn what is a sales/marketing operations "secret sauce" with little executive visibility into a more strategic product. As CMOs solve for building a full funnel platform, revenue operations becomes a key focus and will drive continuing growth in the lead-to-account matching and routing category. This market should double in size in 2020.

Lead-to-Account Matching and Routing Vendors (Figure 11)

CATEGORY: LEAD-TO-ACCOUNT MATCHING AND ROUTING		
Usage	**Impact**	**Satisfaction**
48%	67%	78%
Leading Vendor	**Vendors**	
LeanData	Chili Piper	Lane4
	Distribution Engine	RingLead
	Engagio	Tray.io

Sales Engagement Platform

Description: Sales engagement platforms serve as a single interface to plan, execute, track, measure, and optimize the interactions of sales development and sales teams with prospects and customers across multiple touches and channels.

Analysis: The most successful sales engagement platforms focus on the needs of sales reps and SDRs within their daily sales workflows (see Figure 12). This category has very high impact and high satisfaction rates among sales development leaders. It is the single console that SDRs use to execute their primary tasks every day of managing communications with prospects and customers using email, phone, and LinkedIn. The growth of these platform has been based on their focus on the prospecting use case. There has been additional usage growth as they have added support for additional channels like chat and direct mail. Significant growth in the category will come from identifying other sales strategies (e.g., closing) that align with sales reps.

As automation is more widely adopted by teams using these tools, productivity and efficiency of the organization will improve. Not only will rules and triggers help SDRs prospect into the most likely to convert companies, but the sales engagement platforms will update the CRM with changes in buyer journey status.

Sales Engagement Platform Vendors (Figure 12)

CATEGORY: SALES ENGAGEMENT PLATFORM		
Usage	**Impact**	**Satisfaction**
73%	81%	79%
Leading Vendors	**Vendors**	
Outreach	ConnectAndSell	Prospect.io
SalesLoft	Dialpad	RingDNA
	FrontSpin	Salesforce High Velocity Sales
	Groove	XANT (InsideSales.com)
	LinkedIn Sales Navigator	VanillaSoft
	Mixmax	

APPLICATION: ENABLEMENT

Sales Enablement Platform

Description: Sales enablement applications house the curriculum, tools, templates, and certifications required to onboard and train SDRs and sales reps.

Analysis: This is a fast-growing market and usage is spread across lots of vendors. Most of the platforms in this space grew out of either a learning management platform or a content management platform, and they have been adding the functionality of the other system. These hybrid systems provide onboarding and ongoing training, but also help SDRs deliver the right answers, supported by the right content, when they need it. Guru is one vendor with a different model and largely serves its audience by working automatically within Slack (see Figure 13).

The sales enablement function has a huge business impact and has become a new buying center. SDRs are a talent feeder to the rest of the business, so by viewing enablement through the lens of ramping, retaining, and promoting, these tools help deliver better return within a shorter amount of time. This extremely competitive market will be one of the bigger growth stories in 2020.

Sales Enablement Platform Vendors (Figure 13)

CATEGORY: SALES ENABLEMENT PLATFORM		
Usage	**Impact**	**Satisfaction**
44%	61%	71%
Leading Vendors	**Vendors**	
Guru	Allego	LevelJump
Highspot	BigTinCan	Mediafly
MindTickle	Brainshark	Salesforce Trailhead
Seismic	Lessonly	SalesHood
Showpad		

Conversation Intelligence

Description: Conversation intelligence technology records, stores, and evaluates SDR and sales rep conversations.

Analysis: There is a lot of interest in this growing market, with Gong and Chorus as the leading vendors (see Figure 14). The primary use case makes this a multi-hundred-million-dollar category before AI truly emerges in these platforms. As they continue to use conversation intelligence, companies will have large databases of tagged conversations that other functions can access to gain insights from the sales process.

Leaders will have many data points to develop a set of next best actions for a variety of prospects such as looking for new KPIs based on what percentage of time the best reps listen versus talk. We expect to see more than two times growth in conversation intelligence in 2020. The winners of this market will enable their customers to change their behavior and their sales culture to be more transparent.

Conversation Intelligence Vendors (Figure 14)

CATEGORY: CONVERSATION INTELLIGENCE		
Usage	**Impact**	**Satisfaction**
43%	73%	83%
Leading Vendors	**Vendors**	
Chorus Gong	Avoma Dialpad ExecVision Fastcall	RingDNA SalesLoft Showpad Wingman

EXECUTION

Chat and Messaging

Description: Chat and messaging technology is used to communicate with website visitors, and it is often automated with common responses and content.

Analysis: Without a doubt, one of the hottest applications in martech/sales tech is Drift (see Figure 15). Many of the early customers of these tools are coming to terms with how to understand ROI as chat represents only a sub-set of engagement.

The value prop of engaging with web visitors directly is too strong and organizations with significant traffic will implement chatbots if they haven't already. The future of the category will be in the continued growth of AI to automate a broader range of communication tasks. We include bots and sales assistants (such as Conversica) in this category because we believe that bots will eventually take over the majority of inbound SDR workflows.

Chat and Messaging Vendors (Figure 15)

CATEGORY: CHAT AND MESSAGING		
Usage	**Impact**	**Satisfaction**
61%	55%	68%
Leading Vendors	**Vendors**	
Drift Intercom	BoldChat (Bold360) Conversica Freshchat HubSpot IBM	LiveChat LivePerson Microsoft Olark Oracle Sales Chat

Direct Mail

Description: These vendors help marketers, SDRs, and sales reps manage and send physical deliveries to prospects, which often includes high-value content or a premium offer. Direct mail solutions integrate with marketing automation, CRM, or other core platforms to improve workflow and insight into the performance of direct mail.

Analysis: Direct mail's resurgence began with the rise of account based and continues to be one of its common channels. Part of the category's continued growth is the use of direct mail by SDR and sales teams (versus only as part of marketing-led campaigns).

Sendoso and PFL are the leading vendors in the direct mail space (see Figure 16). But when we compare the responses of marketers to SDRs, it turns out that SDRs are nearly twice as likely to use in-house or mail house solutions to send direct mail instead of platforms that are built with seamless integrations to the tools they use every day.

As direct mail becomes popular again, the importance of creativity and relevance cannot be overstated. Direct mail will continue to steadily grow as more account based programs come online and these tactics become part of standard campaign programs.

Direct Mail Vendors (Figure 16)

CATEGORY: DIRECT MAIL		
Usage	**Impact**	**Satisfaction**
50%	56%	53%
Leading Vendors	**Vendors**	
Sendoso	Alyce	Rocket Notes
PFL	Printfection	Traditional mail house

GUIDANCE

As the market for sales development technology continues to expand and evolve, organizations should bear in mind the following for building a sales development tech stack:

1. Start by defining the strategy and the process, then match technology solutions to different components that can be improved or automated.
2. Focus on the technology that impacts an SDR's daily activities; at least 70%+ of an SDR's day should be spent on engaging prospects and customers with more relevant and resonant messages.
3. Be judicious when adding new solutions to the technology stack, as too many tools are a distraction for the SDRs and slow down their productivity when moving back and forth between tools. Where possible, add in technology that simplifies the SDR's job without the SDR ever having to interact with the tool directly (e.g., lead routing).
4. Prioritize ease of use and integration when evaluating new technologies. The more technology is integrated within the SDR's workflow, the more likely it is that SDRs will adopt it.

ABOUT TOPO

TOPO works with high-growth companies to transform their sales, sales development, and marketing organizations into world-class functions. B2B organizations rely on TOPO research and consulting to make informed strategic decisions that drive pipeline and revenue growth.

We do this by offering:

1. **Data and benchmarks** collected from the world's fastest-growing companies across hundreds of key metrics.
2. **Research, best practices, and tools** that make faster revenue growth a reality by focusing on specific, actionable strategies, tactics and plays.
3. **Personalized advice and support** from sales and marketing's best and brightest—TOPO analysts and your peers from the world's fastest-growing companies.
4. **Consulting** helps clients address big sales and marketing issues in a manner that's deeply specific to you. Our consulting work focuses on areas such as go-to-market strategy, organizational design, and marketing/sales process
5. **Events and peer networking** with industry-leading practitioners to learn and share best practices associated with top-performing sales and marketing teams

About the analysts

Dan Gottlieb, *Sales Development Analyst*

Dan Gottlieb helps sales, marketing, and sales development leaders adopt the patterns and plays of high-growth companies. In addition to supporting his clients, he conducts trend research for the sales development practice. He has spent the last 10 years supporting some of the world's fastest-growing companies, with a deep background in B2B tech sales.

Jeffrey L. Cohen, *Analyst*

Jeffrey L. Cohen focuses on TOPO's marketing and sales development practices. He is an award-winning marketer, strategist, author, speaker, and blogger with a 25-plus year career in B2B marketing, who previously led content strategy for Salesforce and Oracle.

For more information

To find out how TOPO can help you grow revenue faster, contact us at:

Web: www.topohq.com

Email: analyst@topohq.com