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Online Sales Demonstrations Achieve Critical Mass of Adoption Among Growing Businesses:

Survey of Sales Professionals and Managers Reveals That Online Presentations Play a Key Role in Accelerating the Sales Cycle

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In the first two weeks of November 2007, BizTechReports.Com surveyed 213 sales professionals (primarily managers, directors and senior executives) at Small and Medium-sized Businesses (SMB) in North America. The objective of the survey was to determine current usage patterns of online product and service demonstration technologies in order to assess the impact this engagement strategy is having on the sales process. The survey sample represented a wide cross-section of vertical industries. The study focused on organizations with a strong need for product and service demonstrations with customers (see Figure 1) that had more than 20 employees, but less than 500 employees (see Figure 2).

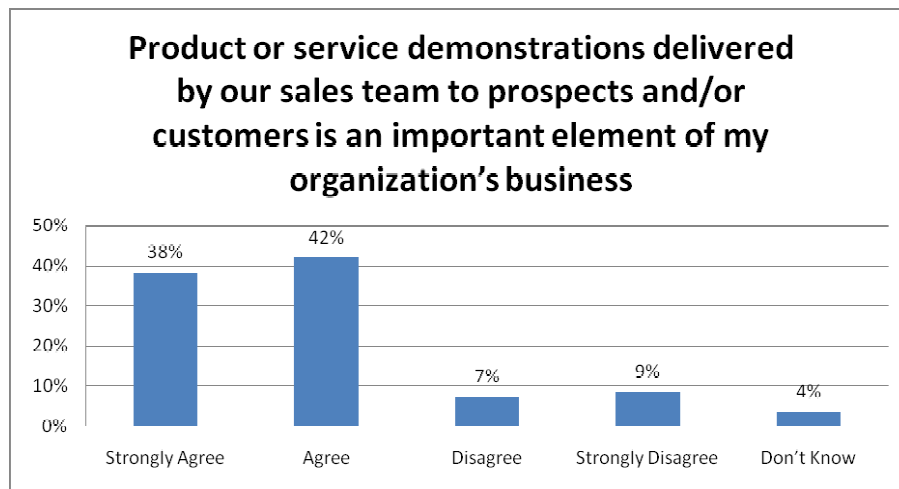


Figure 1

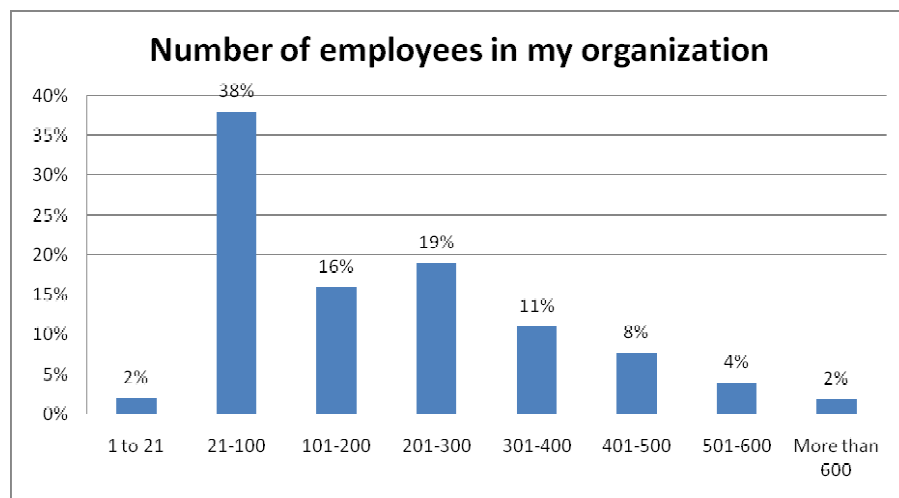


Figure 2

The study found that small and medium-sized businesses (SMBs) are increasingly turning to online collaborative technologies for all aspects of their business operations. Sales operations are one specific area in which online tools – particularly online presentations – are already playing a transformative role for SMBs. The survey of SMB sales practices conducted by BizTechReports.Com suggests that a tipping point has been reached in the use of online presentation technology in SMB sales processes and organizations.

In the study, more than half of respondents reported that they use online presentations to deliver product demonstrations to customers and prospects, indicating that a critical mass of adoption has been achieved (see *Figure 3*). The study concludes that:

- SMB executives and sales managers believe that online presentations are rapidly becoming a competitive requirement for many SMBs' sales processes.
- SMB sales leaders report that online presentations accelerate the sales process and lead to less costly, more efficient (fewer calls per close) sales.

Overall use of online presentations in the sales process is increasing, and SMBs are becoming more sophisticated at strategically integrating online presentations into different stages of the sales cycle. For example:

- Online presentations are routinely being used in developing sales leads and qualifying prospects.
- Online tools can then be used to further develop client relationships and even to convey quotes and proposals.
- Increasingly, online presentation tools are being used as the foundation for post-sales support, facilitating seamless transitions from efficient sales support to effective customer relations.

Efficiency and rich communications are the two principal strengths of online presentations in the SMB sales environment. According to respondents to the survey, online presentations allow SMB sales staffs to share more information more widely, while containing the actual and opportunity costs associated with time, travel, and entertainment. The interactive dimension of online presentation technologies allow sales staffs to better build rapport and establish a comfort level with clients within less time and using fewer resources than when using “audio-only” telesales strategies.

Online presentations are seen as especially well suited to support complex sales interactions. Regardless of how complex the product or service being offered, SMB sales professionals report that the rich delivery of visual and voice information sparks productive dialog between sales staff and customers.

Online presentations have become a required weapon in the SMB sales arsenal. Five years ago, these tools were used exclusively to support high-end sales activities for the largest companies and accounts. Now, low cost and ease of use put these tools in reach of nearly every sales budget. Consequently, SMB sales organizations now must seize the opportunity to leverage and refine the use of online presentation tools to stand out in their respective marketplaces.

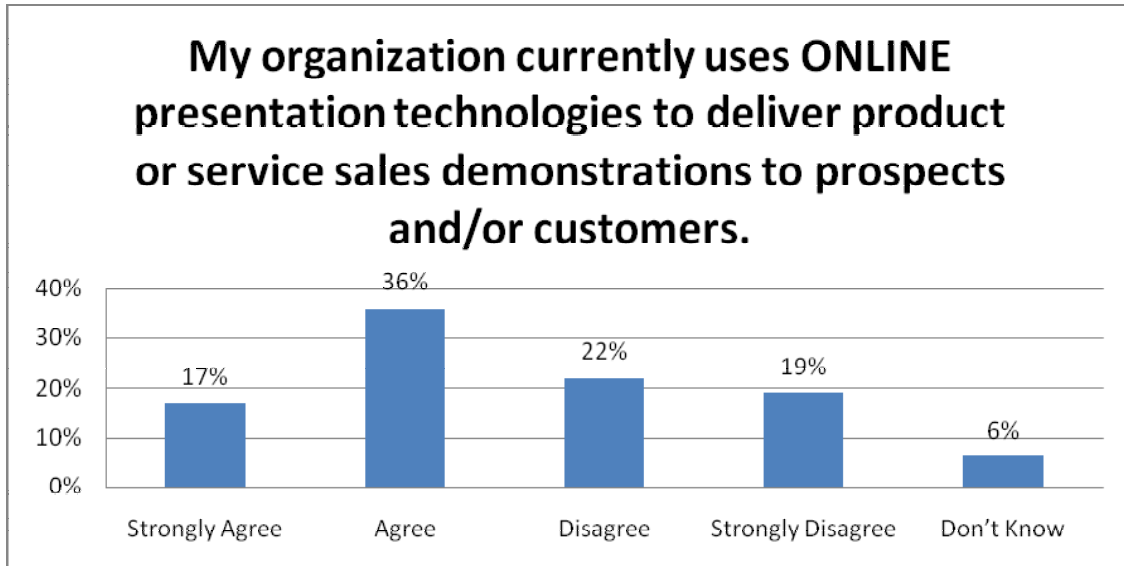


Figure 3

What SMB Sales Practitioners Are Saying about Online Presentations

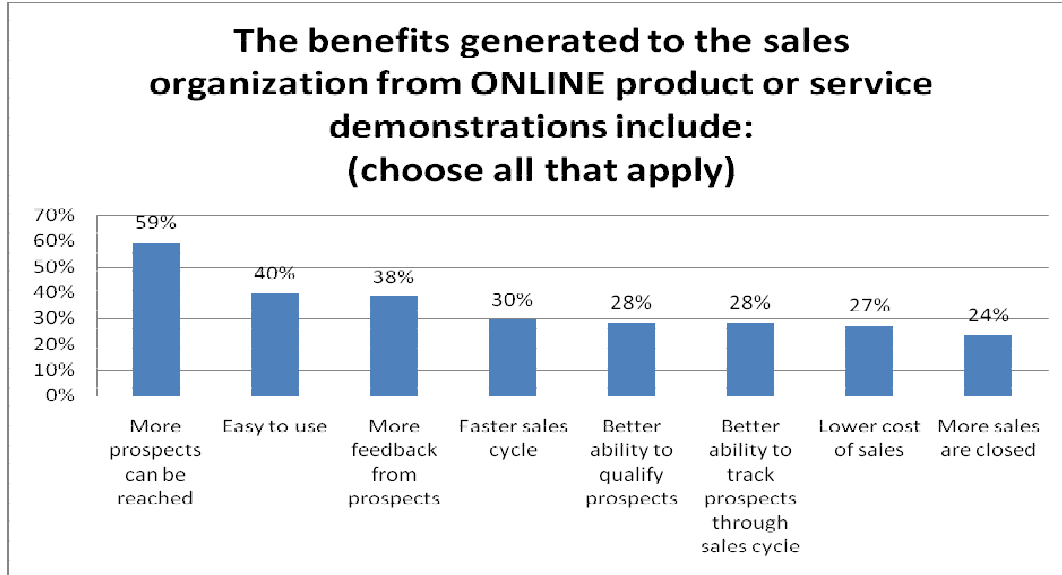


Figure 4

The BizTechReports.Com survey suggests several key issues are contributing to increasing use of online presentations in SMB sales processes. Among them:

SMB sales professionals report that online presentations increase sales revenue, accelerate the sales cycle, and lead to more closings.

- 59% of respondents believe that online presentations allowed sales teams to **reach out to greater numbers of prospects more often** (see Figure 4). A variety of factors contribute to these responses, but the efficiency of online presentations and meetings, which allow sales staff to reach more prospects and customers without incurring costs associated with travel and scheduling, stands out as most significant.
- **Increases in SMB sales volume** are another result of using online presentation technologies, according to 59% of those surveyed (see Figure 5). This is likely the result of a number of factors that result from using online presentation technology, including the ability to reach greater numbers of prospects more frequently.
- 30% of survey respondents say online presentations **contribute to a faster sales cycle**, as a result of richer presentation of information and more responsive feedback afforded to sales-customer interactions during the online presentation process.
- 24% of survey participants indicated that **a greater number of sales are closed** within a specific time frame when using online presentations. Again, this is due to

the increased exchange of relevant data that occurs between SMB sales staff and customers during an online engagement.

SMB sales professionals say that online presentations allow them to reach out to more contacts more often with richer exchanges of information.

- 38% of respondents reported that they elicit **useful feedback and relevant sales information from prospects** and customers when they use online presentations. Such information allows SMB sales staff to address customer questions early on and forestall customer objections that could crop up later in the sales process.
- 28% of survey participants indicated that online presentations **help SMBs more accurately qualify prospects** than conventional one-dimensional interactions such as email or teleconferences.

SMB sales professionals report that ease of use plays a major role in the effectiveness of online presentations, and that this determines adoption rates and the extent to which online sales demonstrations can be integrated into existing sales practices to enhance the measurement and control of sales performance.

- 40% of survey respondents characterized online presentation tools as **“easy to use.”** Among those who said that their online presentation technologies were easy to learn, SMB sales managers report that they expect their staffs to quickly learn and integrate online presentation tools into their sales repertoire, allowing for greater focus on the content of the online presentation.
- 28% of survey participants reported that online presentation tools allow them to **better track prospects through the sales cycle** and collect more accurate data on their sales processes.

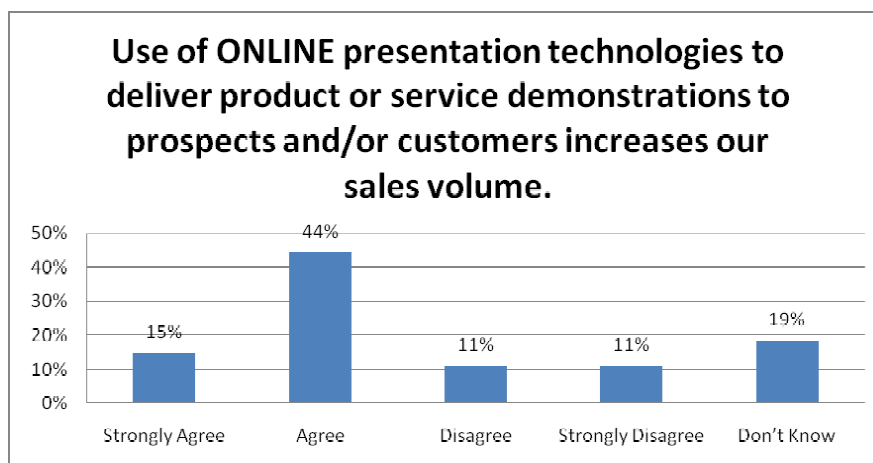


Figure 5

Directions in SMB Use of Online Presentations: *Already Proven, Set to Grow*

Just as SMB sales professionals are using online presentation technologies in various stages or phases of the sales process, they are also using this powerful technology to present their information in varying formats (see Figure 6).

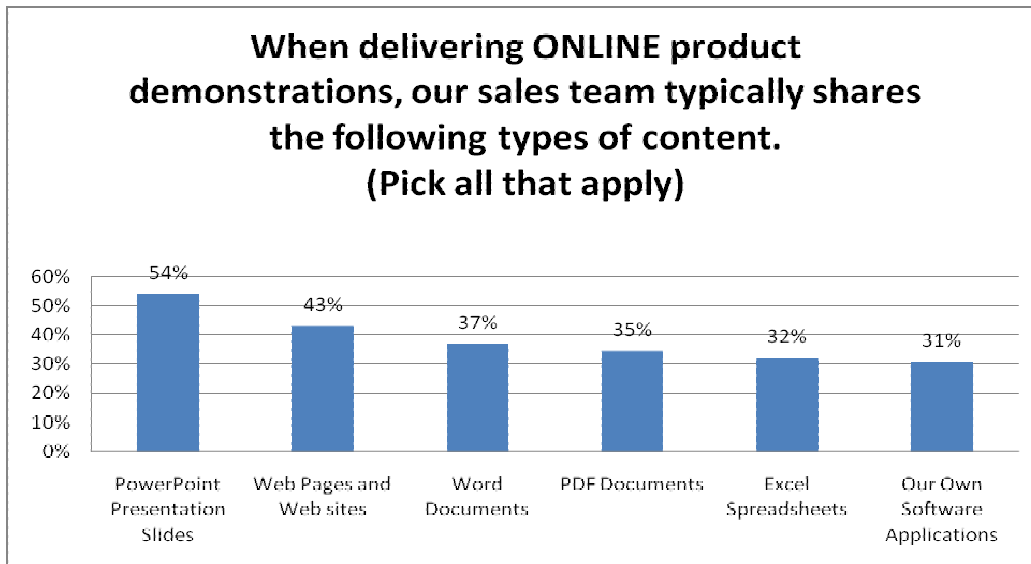


Figure 6

Over half of respondents (54%) indicated that they deliver PowerPoint or similar presentations. Forty-three percent use Web pages or sites to convey visual information to prospects and/or customers. Roughly a third also use in-house proprietary applications or other document formats such as Microsoft Word and Excel and Adobe Acrobat.

Online presentation technology also allows sales representatives to have more regular engagement with their prospects and/or customers. Frequent and regular interactions are more likely to pay off in repeat and increasing sales.

- A significant majority of SMB sales professionals (59%) agree that online presentation technologies increases sales **volume**. The consensus is that online presentations offer a cost-effective alternative that allows much of the personalized interplay that characterizes face-to-face meetings. In other words, online presentations permit a larger number of higher quality calls and interactions.
- 59% of SMB sales professionals similarly agree that use of online presentation technologies for product or service demonstrations increases sales **revenue**. There are two reasons for this.

- Revenue increases as a result of the higher volume of sales closed with the help of online presentations.
- Richer, more intimate interaction with customers creates opportunities to up-sell higher revenue solutions and increase the size of individual deals.
- A significant indication of the growing confidence that SMB sales professionals already have in online presentation technologies is that just over half (52%) of survey participants plan to expand their use of online presentation technologies over the next year (see *Figure 7*).

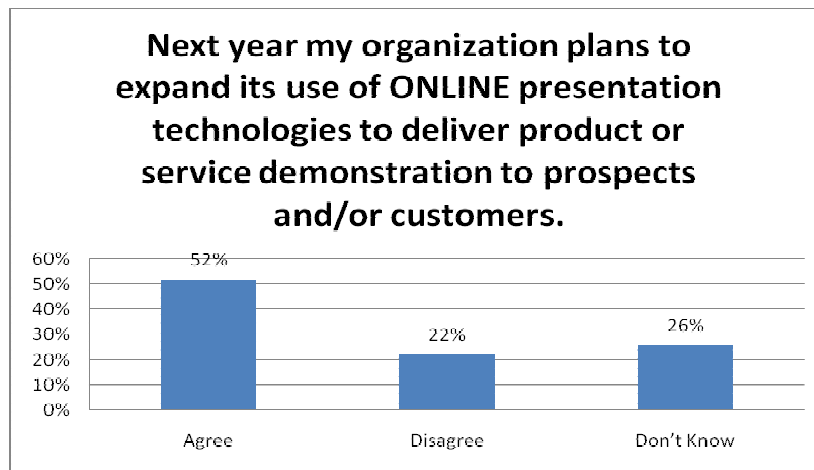


Figure 7

Conclusion

The use of online presentation technologies among SMB sales organizations is currently at a tipping point. A few years ago, online presentations were a luxury for a few large, well-resourced organizations. Today, the technology is already in relatively wide use in all businesses and is rapidly evolving from a competitive differentiator—a “nice to have”—to a competitive requirement—a “must have.”

The technology has become not only more affordable for growing businesses, in many cases it has also become easier to use. Sales staffs can now incorporate this tool into their sales repertoire with little ramp-up time. This allows SMBs to focus not on the technology of online presentations, but rather on the quality and innovation of the sales content and communication, as well as on the timing and structure of the customer interaction.

The new frontier of online presentation in sales organizations will not be whether online tools are used or not. Instead, the competitive differentiation will be driven by who uses online presentation technology most effectively and creatively, and how the online sales process can be smoothly transitioned into effective pre-sales, sales and post-sales interactions.