



MAY 2013

# INSIDE SALES MARKET SIZE 2013 EXECUTIVE SUMMARY

INSIDESALES.COM RESEARCH DIVISION  
PERFORMED BY BEN WARNER

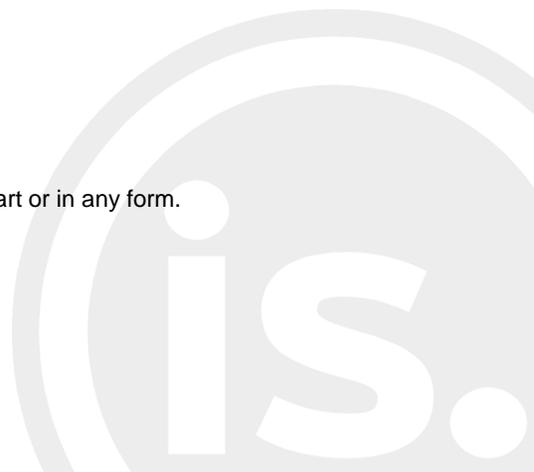
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## RESEARCH PAPER

## INSIDE SALES MARKET SIZE 2013

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### EXECUTIVE SUMMARY HIGHLIGHTS

- 42,400 non-retail inside sales jobs are being created per year.
- Inside sales has grown in the past three years, with inside sales now constituting half of sales departments surveyed.
- Inside sales departments are also maturing, with reps achieving a higher percentage of quota than their outside sales counterparts.
- Outside sales reps are also spending time selling remotely, but they are still maintaining a clearly defined role in face-to-face selling.
- Appointment tools are the most widely used in inside sales departments, while training tools have the highest anticipated increase in usage.

### EXECUTIVE SUMMARY VS FULL REPORT

The executive summary of the Inside Sales Market Size 2013 study includes only the summary information of the full research. The full report includes everything in the executive summary and, in addition, results on inside sales growth, size of quota, on target earnings, deeper analysis of tool usage, inside sales growth broken down by industry and geography. The full report also includes an estimate of the number of inside sales reps in the USA along with a projection of how many there will be by 2020. Beginning in May 2013 the full research report is available for purchase at [store.insidesales.com](http://store.insidesales.com).

### REMOTE SALES TRENDS

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In 2009, InsideSales.com partnered with infoUSA (using infoUSA's corporate database) and Dr. James Oldroyd of Sungkyunkwan University (SKKU) to produce the *Remote Sales Trends* report. This study found an annual 7.5% growth rate in the inside sales (remote sales) industry, compared to a 0.5% annual growth rate for outside sales (field sales).



*Remote Sales Trends* also analyzed time usage of inside and outside sales reps and found that "41% of outside sales activities are currently done over the phone, either in the home office or the company office" (Oldroyd, *Remote Sales Trends*, 2013). This result suggests that inside sales is a growing trend, both in terms of number of dedicated inside sales reps, as well as in the activities that sales reps are actually doing.

Because of the surprising results of the *Remote Sales Trends* report, InsideSales.com partnered with ZoomInfo, Kraig Kleeman, Trish Bertuzzi, and Software Advice to undertake a new study – the *Inside Sales Market Size 2013* study. The new study includes a much deeper analysis of sales rep growth and activities, as well as an analysis on reps' quotas, department models, and tools used.

## METHODOLOGY

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### MARKET SIZE SURVEY

A 19 question survey was sent out to primarily sales and marketing managers in a variety of industries. After the data was received, it was audited to remove responses that clearly could not be correct (generally because the response entered was outside the range of realistic responses for the question being asked). A small amount of minor correction was made to a small number of question responses that appeared to be mistyped. This was only done when the answers to other questions were apparently accurate and when the respondent's intentions were clear. This affected only a small percentage of total responses.

After cleaning the data, 321 responses were analyzed, which included companies from 30 industries. Company of various sizes responded. The average company had 6,646 employees. Figure 1 (below) shows the distribution of company sizes of respondents:



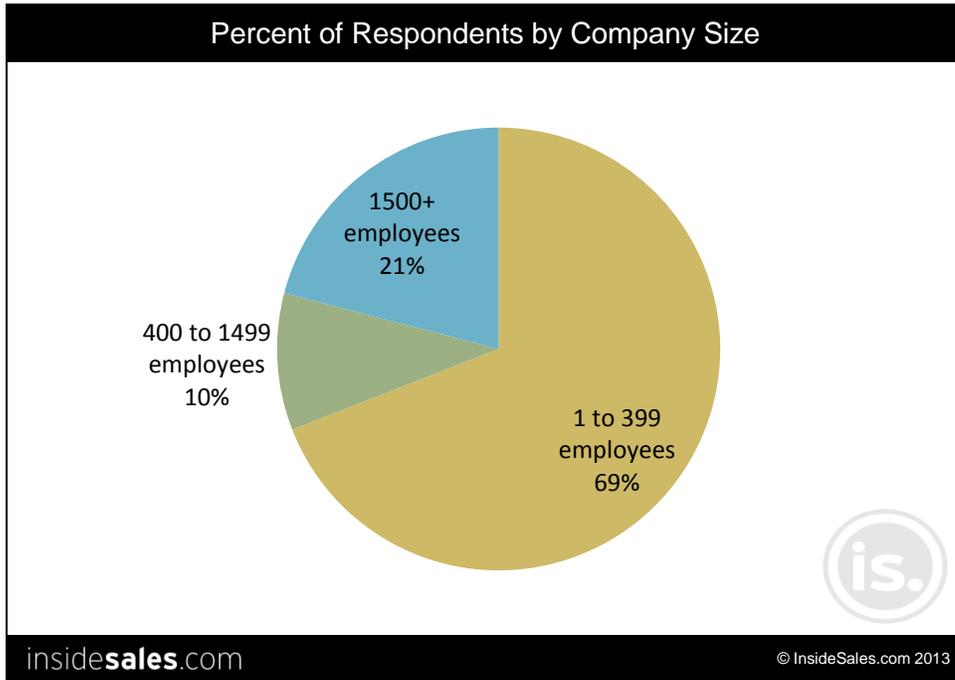


Figure 1

Figure 2 shows the distribution of industry responses.

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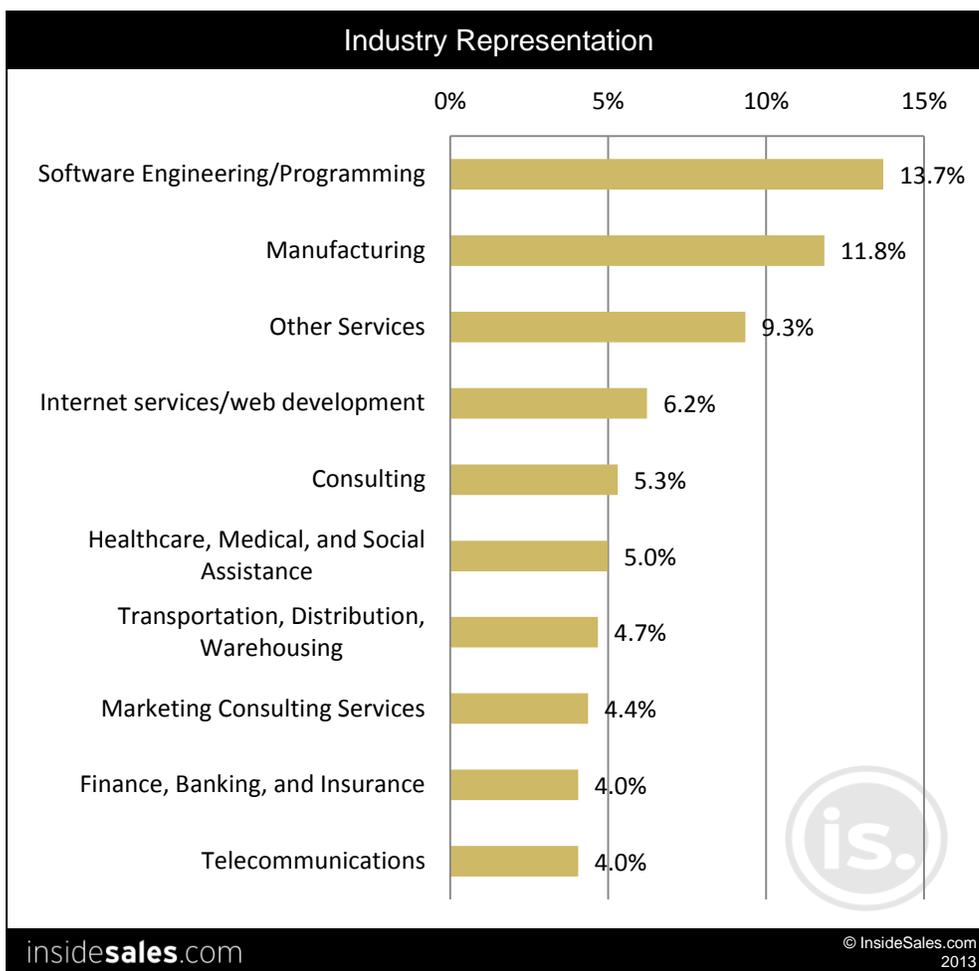


Figure 2

## RESULTS

### EXPANDING INSIDE SALES DEPARTMENTS

The *Remote Sales Trends* study found that inside sales was growing as an industry. Have inside sales departments become as large as more traditional outside sales departments?

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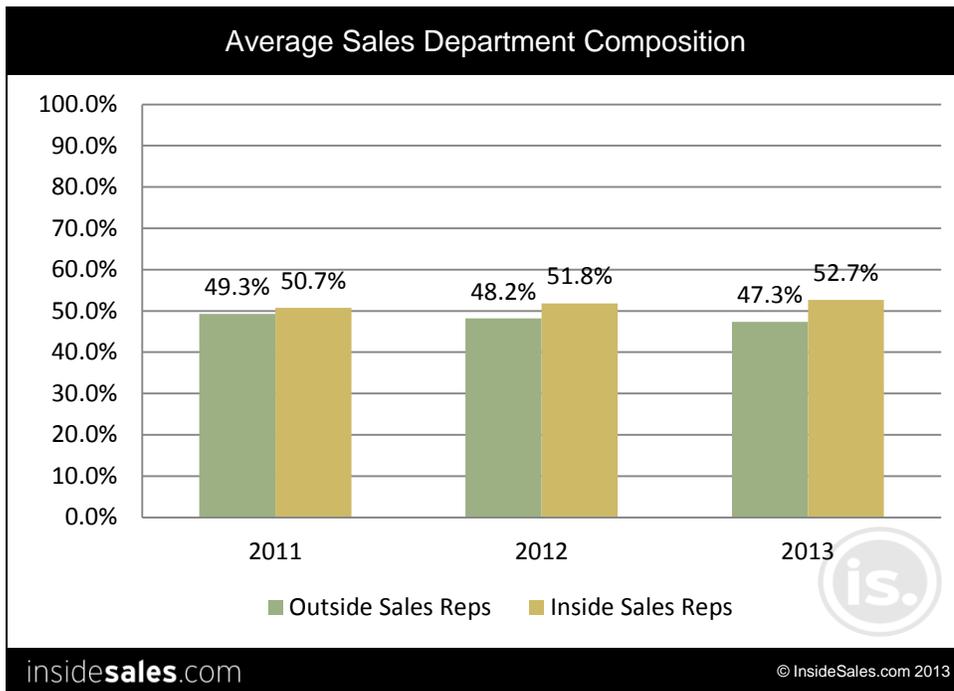


Figure 3

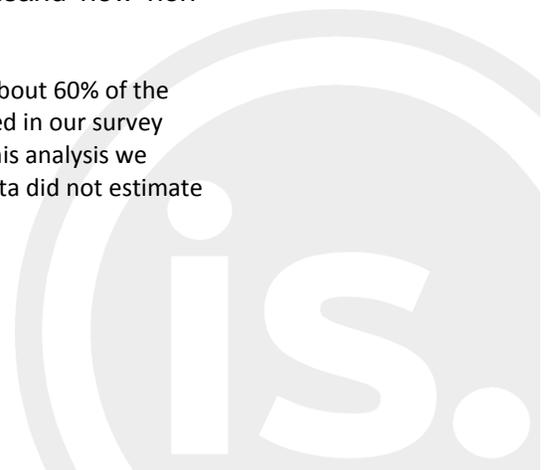
Figure 3 shows that in 2013 the average department has more than half of all reps being inside sales reps. This is a recent change, since in 2012 the proportion of inside sales reps was less than half. Companies are finding increasing value in inside sales and therefore making it a more significant part of their sales teams.

**2.6 MILLION INSIDE SALES REPS BY 2020**

In order to estimate the total number of inside sales reps in the USA, we multiply the proportion of inside sales reps per industry from our survey by the total number of sales reps per industry in the USA as estimated by the Bureau of Labor Statistics.<sup>1</sup> In May 2012, the BLS estimated that there were 5.5 million non-retail sales reps in the United States. The BLS also estimated that there would be 6.3 million non-retail sales reps in 2020 (Bureau of Labor Statistics, 2013). Supposing that the number of reps increases linearly, the BLS is projecting 99.3 thousand new non-

<sup>1</sup> In doing this, we exclude retail sales. Retail sales workers make up about 60% of the sales occupation in the BLS estimate, but they are not well represented in our survey and we consider them a different type of sales worker. Throughout this analysis we exclude self-employed and unpaid family workers because the BLS data did not estimate those by industry.

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retail sales jobs per year. Using our estimated proportions of inside sales reps in each industry, we estimate that after 2013 non-retail *inside* sales jobs will grow by about 42,400 new jobs each year.

The following graph shows the increase of inside sale reps between 2010 and 2020. The years 2014 and beyond are projected and therefore highlighted in a different color.

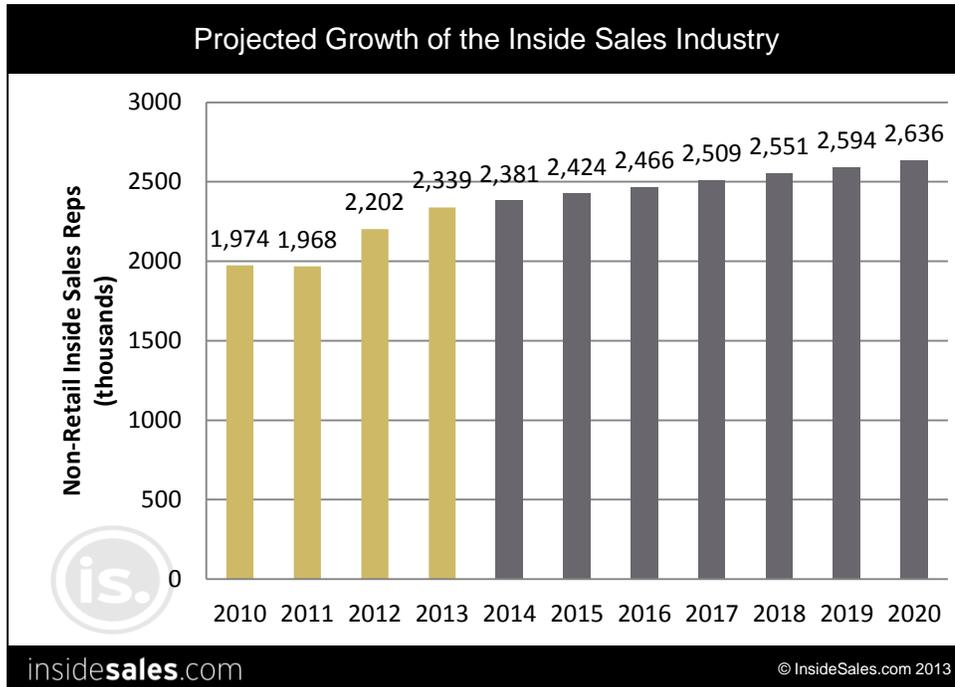


Figure 4

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**INSIDE SALES SLIGHTLY BETTER IN QUOTA ACHIEVEMENT**

Do inside sales reps achieve quota as well as outside reps? Because sales managers choose the amount of quota to be achieved, they may set different levels of quota for inside and outside reps.<sup>2</sup> To answer the question, we compare the average percent quota achievement for inside and outside sales reps from 2011 to 2013.

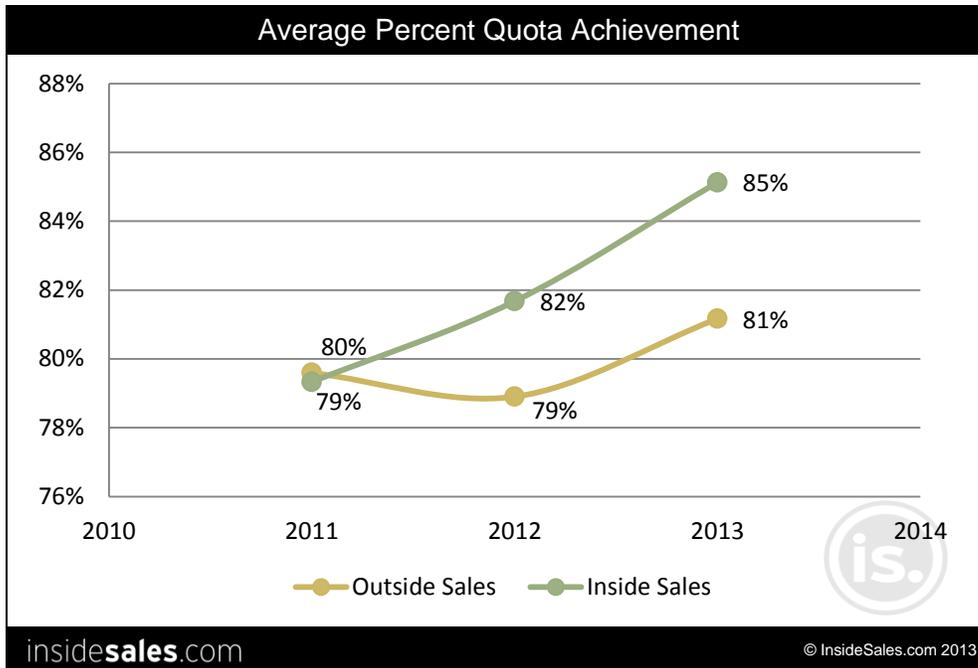


Figure 5

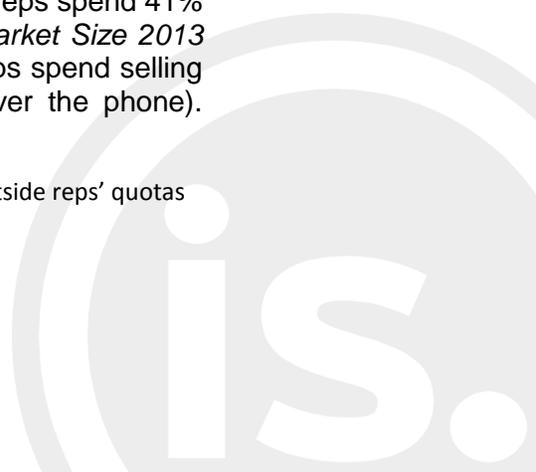
We see in figure 5 that inside and outside sales saw roughly the same quota achievement from 2011 to 2013. It is interesting to note that while outside sales fluctuated slightly around 80%, inside sales grew by 2 to 3 percentage points per year for each of the years for which data was gathered.

**OUTSIDE SALES REPS ENGAGE IN SOME REMOTE SELLING**

The *Remote Sales Trends* study found that outside sales reps spend 41% of their time selling over the phone. The *Inside Sales Market Size 2013* survey asked how much time inside and outside sales reps spend selling remotely (which could include more than just selling over the phone).

<sup>2</sup> The full report shows that they do indeed have different quotas, with outside reps' quotas being twice that of inside reps' quotas.

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Because inside sales is growing as a percentage of sales departments, we know sales managers are finding increasing value in remote selling. Therefore, we find it plausible that sales managers would also ask their outside reps to engage in more remote selling activities. Figures 6 and 7 show how inside and outside sales reps' use their time:

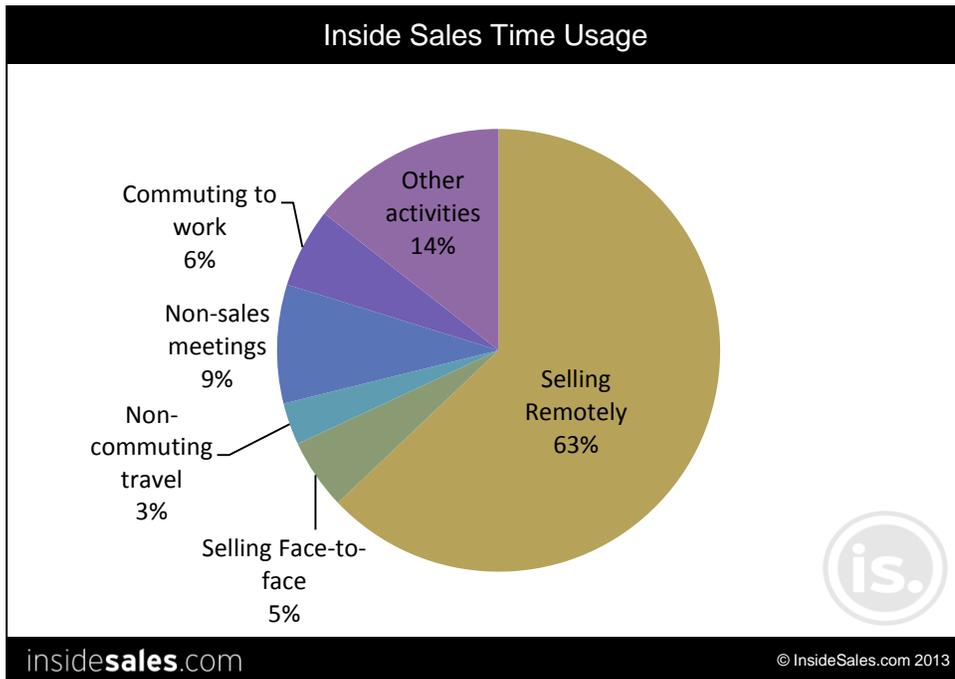


Figure 6

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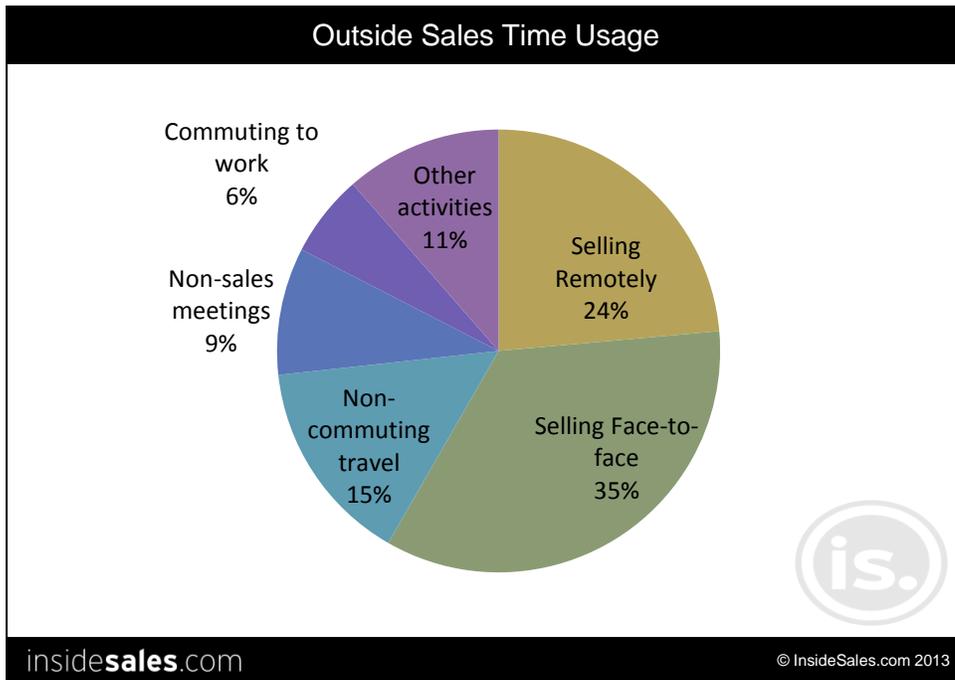


Figure 7

While still spending about 24% of their time selling remotely, outside sales reps are spending less of their time selling remotely compared to what was found in *Remote Sales Trends*. Some of the difference may result from differences in question wording and some difference in the categories of time usage to choose from. Another possible explanation is that because inside sales reps have become a larger of proportion of sales teams, inside reps are taking more of the remote selling opportunities, leaving outside sales reps more time to focus on face-to-face selling.

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**TOOL USAGE**

Table 1 shows what kinds of tools inside sales departments are using:

Tools Used and Not Used			
Tool	Using	Plan to Use	Don't Plan to Use
Calendar tools (e.g. Outlook, Google Calendar)	94%	3%	4%
CRM - Customer Relationship Manager	81%	12%	8%
Conferencing / presentation software	71%	14%	15%
Reporting / dashboard tools	70%	16%	13%
Social media tools	66%	20%	14%
Compensation/commission/incentive tools	63%	15%	21%
List / lead providers	60%	13%	27%
Training tools	56%	23%	20%
Coaching tools	47%	24%	28%
Appointment setting tools	35%	15%	50%
Dialer	17%	14%	69%
ACD - Automated Call Distributer	15%	11%	74%
IVR - Interactive Voice Recognition	9%	7%	84%

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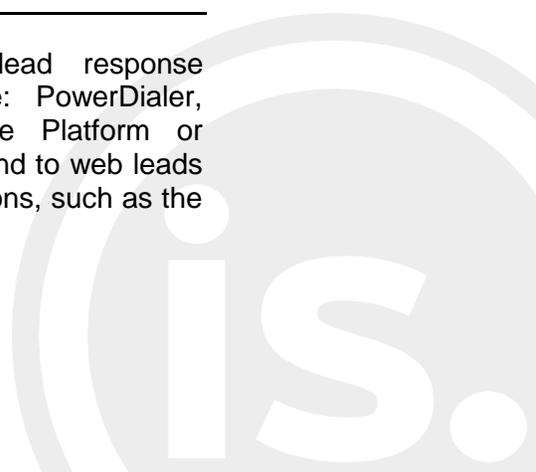
Figure 8

Not surprisingly, appointment tools – calendars, conferencing / presentation software, and appointment setting tools rank high on the list of most used tools. More interestingly, training tools and coaching tools have the highest number of respondents saying they plan to use them. Possible reasons for this include rapidly changing sales techniques and technologies, requiring increased capacitation of new reps. Another possibility is that many more reps are being hired and sales managers are looking toward technology to help train those reps.

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### Works Cited

Bureau of Labor Statistics. (2013, 4 14). *Industry-occupation matrix data, by occupation*. Retrieved from [http://www.bls.gov/emp/ep\\_table\\_108.htm](http://www.bls.gov/emp/ep_table_108.htm)

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