

A Forrester Consulting Thought Leadership Paper Commissioned By Hearsay Social

# The Future Of Social Selling

Customer Life-Cycle Selling Requires A New Approach

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FORRESTER

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## Executive Summary

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The traditional marketing funnel has been replaced by the customer life cycle — discover, explore, buy, and engage — which places your customers at the center of your sales and marketing efforts.<sup>1</sup> Sales professionals must join marketing and take a customer-centric approach to how they engage with both customers and prospects. Social selling is one component of this new approach. In March 2013, Hearsay Social commissioned Forrester Consulting to evaluate the future of social selling. To further explore this trend, Forrester developed a hypothesis that tested how sales professionals use social media across each part of the customer life cycle.

Social selling is essential to a customer-centric sales organization's success.

In conducting in-depth interviews with 18 sales professionals, Forrester found that social selling can be an important part of the sales process throughout the customer life cycle.

### Key Findings

Forrester's study revealed that:

- **Social selling requires collaboration from marketing.** Successful social selling needs to be differentiated from, but collaborate with, marketing's social efforts.
- **Sales professionals use social differently throughout the customer life cycle.** There is a place for social selling (and social marketing) in each phase of discover, explore, buy, and engage, but successful sales professionals must target their social efforts to the desires of the customer in their current stage of the customer life cycle.
- **Sales professionals see business value in their social efforts, but are in the early stages of formally measuring ROI.** Most sales professionals who have experimented with any form of social selling find that it helps them be more effective, however most organizations are still tracking success anecdotally, rather than with formal companywide metrics.
- **Salespeople actively seek out new tools and technology to help them be more effective with social.** Sales professionals see an opportunity for new technology to help them become more effective in social selling initiatives.

## Current State/Concept Definition

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### Your Customers Seek Out Their Own Information From Social Channels

Your customers rely on information they gather themselves — from a range of sources — more than ever before. More than 80% of your customers discover new brands, products, and services from family and friends, while only 36% rely on salespeople.<sup>2</sup> This focus on information from the peers of your customers is a continual theme in the evolution of sales; as one sales representative told Forrester:

*“We know not every perspective client is going to go follow an insurance agent online. Tomorrow’s customer is more inclined to buy a product or service not based on what their parents tell them, but what their friends tell them online and in reviews.”* (Sales enablement at a financial services company)

## The Social Tools Market Multiple Focus Points

The social ecosystem is no longer a single, unified set of tools competing for the same resources and users — and it really never was. Instead, advanced businesses focus their investments in social tools by what phase of the customer life cycle the tool facilitates, in addition to the business objective for interactions with their end customers.

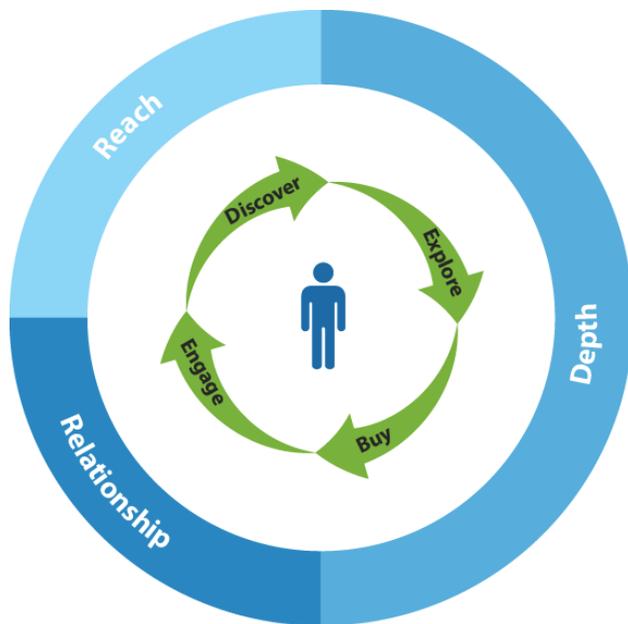
Sales professionals do not use social channels in the same way that marketers do, and therefore need their own set of capabilities to succeed today.

Forrester recommends that companies ask how a given tool can help either sales or marketing in each phase of the customer life cycle. For marketers, this requires focusing on three primary tools for interaction, as well as a listening platform to inform the rest of your marketing (see Figure 1). Most technologies that provide resources for sales either fit into one of the same four categories, or target a specific portion of the customer life cycle — their needs are different but complementary to those of marketing. These categories are:

- **Social listening platforms help marketers plan their programs.** These tools aggregate social content and analyze social data to uncover insights and drive intelligent marketing planning. Sales professionals use similar listening functions on a more targeted level to learn about specific customers and prospects.
- **Social depth platforms help marketers add social tools to their own sites.** These tools build social content and experiences into marketing sites, offering the depth that customers seek when exploring products and services. Sales professionals use social depth to engage and learn more from customers who are exploring a solution in any channel, including social, phone, email, and other direct channels.
- **Social relationship platforms help marketers leverage third-party social sites.** These tools engage a company’s existing customers by publishing marketing content on public social networks, while allowing marketers to monitor and respond to user posts on those sites.<sup>3</sup> Sales professionals, including many that Forrester interviewed for this research, use social relationship tools as a core component of what they call social selling to proactively engage customers and prospects where they are already spending time.
- **Social reach platforms help marketers use social media to find new audiences.** These tools help create and spread content that lets new customers discover a marketer’s products and services. It is the area least used by sales professionals, because it is most appropriate for the discover phase of the customer life cycle, traditionally the domain of marketing.
- **Social can be a valuable tool for sales organizations as well as marketing.** Unfortunately, the same solutions that enable marketers to sponsor communities on public social networks or to run an owner community on their own site are often not responsive to the needs of individual sales agents who want to quickly publish new content and have conversations with their individual audiences of customers and prospects.

**Figure 1**  
Key Social Tools For Marketers Across The Customer Life Cycle

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Source: "Mix Art And Science For Marketing Success," Forrester Research, Inc., January 14, 2013

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## Marketing Must Empower Sales On An Individual Level

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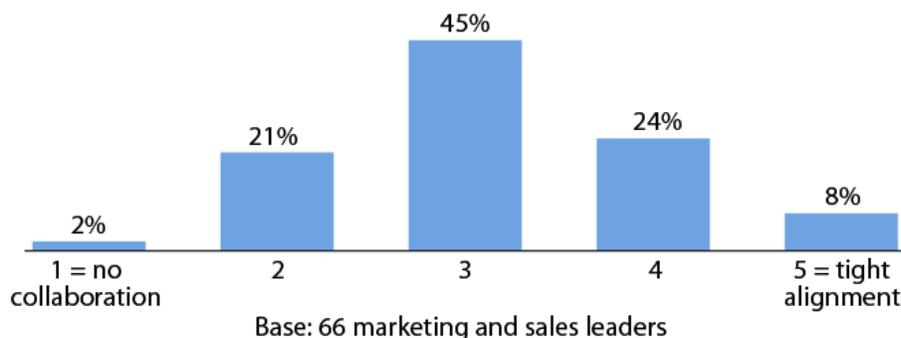
Marketing traditionally takes the lead on adopting new go-to-market strategies and the purchase of technologies to support both new marketing and sales initiatives. For this reason, marketing needs to be heavily involved in the creation of new initiatives to help sales professionals get started with social selling, while at the same time leaving enough room for sales to control its own interactions and sales process.

Corporate marketing's social efforts are often disregarded by sales professionals, regardless of how effective the efforts are. Sales and marketing are known to have a long-standing antagonistic relationship, with leaders from both sides expressing a lack of alignment between the two organizations that has been true for years (see Figure 2). This remains true as sales begins to use the same social channels that marketing uses today.

**Figure 2**  
Sales And Marketing Leaders Cite Lack Of Alignment

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**“How would you rate the overall level of collaboration and alignment between sales and marketing?”**



Source: October 2010 Marketing And Sales Alignment Survey, Forrester Research, Inc.

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The sales professionals that we spoke to were relatively dismissive of corporate social marketing and its ability to help them close more business. While Forrester has seen many successful social marketing efforts that track their ROI through increased lead volume and conversion, those successes were not recognized by the sales teams in this study. Sales either had no visibility into what corporate marketing was doing, common for sales agents, or didn't know how marketing could directly help win more business at all, common among sales enablement professionals and sales managers.

*“No, corporate social marketing doesn't help us sell. There's no bridge there. It's great for brand awareness, fantastic brand awareness. But there's definitely a gap.”* (Sales associate at an insurance company)

*“We've learned that if you truly want to reach customers within the local markets, then all signs point to going through the local agent. The mindset of corporate [marketing] needs to adapt, and I don't think they've fully gotten there yet.”* (Sales enablement at a financial services company)

*“The biggest gap I see is if we create a corporate presence but we didn't do anything to raise (our reps) presence . . . If you're more grassroots and you depend on professionals to drive sales, then your social media needs to address that.”* (Sales manager at a commercial bank)

However, sales professionals often acknowledged that marketing funded the social tools at their companies and provided them with the training required for a successful social selling program.

*“The first step is content, but the second is training — how to engage your sales team to use social. People who are out selling need help getting started.”* (Sales manager at a commercial bank)

*We have a training program . . . and one element is social media. We teach people how to use public social networks as a part of the sales process.”* (Sales/owner of a multilevel marketing company)

## Social Is Valued By Sales Throughout The Customer Life Cycle

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Sales professionals we spoke to are using social selling tools and techniques for very different purposes in each stage of the customer life cycle. They are using these tools as their own marketing resource as well to be a trusted advisor throughout the customer life cycle, and told Forrester about how they do social selling in each of these four stages:

- **Discover (lead generation) focuses on exposure and getting your name out there.** It's less about finding new names — the work of a traditional marketing organization and not a strength of many of the sales professionals surveyed — and more about creating content that helps you get more exposure and will lead to sales down the road.

*“How you prospect is you start with who you know on a [professional social network]. If you don't know anyone, you start with executive and key contacts at companies and figure out how far away from them you are and how to close those gaps.”* (Sales manager at a commercial bank)

*“I think lead generation may be a bit strong. It's more of keeping my name in the frontal lobe.”* (Sales associate at a real estate agency)

- **Explore (lead nurturing) focuses on personalized content marketing.** Sales professionals leverage their relationships to get tailored content in front of their personal audiences. Part of the reason the sales professionals described a gap between their efforts and corporate marketing is that the corporate content did not resonate with their prospects, compared to either fully customizable content or the option of putting a personalized spin on the corporate content.

*“The social posts that create the most engagement are the personal posts that reps write. We're coaching them to post their own content. It's those personal touches that introduce themselves to the audience as a person, not an insurance agent.”* (Marketing manager at an insurance company)

*“We're seeing trends of three-to-one of user-generated content outperforming corporate content. That makes sense.”* (Sales enablement at an insurance company)

- **Buy.** During the buy stage (sales and customer intelligence) stage, sales professionals reduce their use of social to move the customer interactions to one-to-one and even more personal channels, such as phone and in-person. However, social still helps qualify leads and provides input for the sales conversation.

*“When I go into someone's profile, I want to know their ‘about me.’ Where do they live? I want to know if they have any common friends with me.”* (Sales/owner of a multilevel marketing company)

*“Ideally, we'd like to know what cars they like, what sports they like, where they want to live and build their dream home. There's no more valuable piece of information than [a personal social profile].”* (Marketing manager at an insurance company)

*“We're looking for . . . higher net worth individuals. People who have . . . enough assets for our advisors to work with them. We identify them on [professional social networks] based their on companies and positions.”* (Sales execution at a financial services company)

*“If I get a call from someone who is looking for a high price point, that person would obviously be affluent. I look at them on [professional social networks] and [search engines] and make sure that they're for real.”* (Sales associate at a real estate agency)

- **Engage.** Finally, during the engage stage (post-sales support), social selling focuses on being a trusted advisor to customers and offering resources through channels they are already on, instead of forcing them to come to a single channel that's more convenient for the sales professional or their company.

*"In the past two months, we've noticed that customers are still reaching out to their agents on their [public social network] page asking policy information."* (Sales enablement at a financial services company)

*"We're interacting with existing customers on a platform they choose to be on. People are turning to social media platforms and if we're not there to respond to them, someone else will."* (Sales manager at an insurance company)

## Sales Sees The ROI Of Social, But It Is In The Early Stages Of Measurement

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Both social selling and social marketing's Holy Grail of ROI is direct attribution to revenue. However, tracking social to closed deals is still nascent. The sales professionals we spoke to are working on mixing direct attribution with softer metrics — they are not merely seeking to determine the success of their own social selling, but to build a business case for other sales professionals in their organizations. Sales professionals did not focus on branding or awareness-related metrics because they knew that, in the end, those are just intermediate steps to sales and retention. Key areas of emphasis include:

- **New customer acquisition.** The best sales professionals are actively using social tools to find and convert new clients and accounts.

*"One of our reps has gotten 10 new clients in the past two months alone from his business page. The branding alone is priceless, and I don't think you can put a number on it."* (Sales enablement at an insurance company)

*"An advisor who had been with us for 40 years . . . simply went out and connected with someone on [a professional social network]. The response he received was, 'Hey, thanks for connecting with me. I just changed jobs and I have a 401(k) I need to roll over. I've been meaning to call you.'"* (Sales enablement at a wealth management company)

*"The number one question I get from a new agent coming into the program is, 'Is this going to help me sell more?'"* (Sales enablement at a financial services company)

- **Increased retention of existing customers.** Sales is not just about new customer acquisition, but also relies on the ability to retain your existing account list. Several interviewees cited post-sales retention as a key component of their individual social strategy.

*"I track my retention through social media. I've gotten rid of other tools I've used and in the two years, my retention has increased 15%."* (Sales associate at an insurance company)

- **Experimentation and a willingness to just jump in.** We are early in the maturity cycle for social selling; many sales professionals who felt that social was definitely helping them sell were hesitant to commit to any specific metrics so far. Forrester expects that as social selling becomes more widely employed, and companies spend more years enabling it, the use of formal ROI calculations will increase. For now, as one interviewee said, "It's worth a shot."

*“The best thing we can tell the naysayers is it’s worth a shot. Give it a few months, take a look at your numbers, and see if they’ve improved.”* (Sales execution at a financial services company)

## How Social Selling Platforms Can Help

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The sales professionals we spoke to were enthusiastic about social selling and view it an increasingly effective channel to reach their customers and prospects. However, they universally agreed that it is yet another demand on their precious and limited time. Therefore, a social tool that helps with efficiency is important when rolling out a new social selling initiative across a large sales organization. Fortunately for those aware of these opportunities, the tools and resources available to capitalize on these trends are evolving rapidly. Sales professionals specifically sought the following capabilities:

- **Schedule publication of content.** Sales professionals don’t want to be marketers, and the ability to schedule their content for their public social network pages enables them to limit the number of times per day they think about content creation; they’re freed up to have more personal conversations on both social and traditional channels.

*“I would definitely say it’s the fact that we can schedule things out and post to different platforms at the same time.”* (Sales associate at an insurance company)

- **Use of corporate content.** Along with content scheduling, this capability speaks to the complicated relationship between sales and marketing. Sales professionals know that when they handcraft content it is more successful, however modifying pre-created corporate marketing content for their personal audiences is still effective and both faster and simpler.

*“The ‘fun’ content is probably 90% [company], 10% my own. Business content is 60% [company], 40% my own.”* (Sales associate at a real estate agency)

- **Find potential prospects and new leads via social channels.** Social channels provide another avenue for sales professionals to learn new things about their contacts and provide a hook to proactively reach out to them. Social tools can help sales learn about new opportunities with their contacts they might have otherwise missed.

*“A local [manufacturing] plant decided to move. Roughly 300 to 400 people laid off. I saw some on [a public social network] and I was able to connect with a few. One member that was laid off ended up going through her retirement planning with me.”* (Financial representative at an insurance company)

- **Monitor for compliance in regulated industries.** This is much more of an issue for sales executives than for sales associates — in highly regulated industries such as healthcare, medical devices, insurance, and financial services, there are strict rules about what a sales professional can say. Social tools can help enable conversations while verifying that the conversations stay within the rules.

*“[We use a social tool for] its strong compliance monitoring and the ease of use of the preapproved library.”* (Marketing manager at an insurance company)

*“Financial advisors can create their own content, of course, with compliance approval.”* (Sales executive at a financial services company)

## KEY RECOMMENDATIONS

Forrester's in-depth interviews with sales professionals and executives yielded several important observations:

- **Smart companies go beyond social marketing to empowering their sales organization.** Social marketing is an important part of your marketing mix, and strong marketing leads to strong sales. However, advanced organizations are leveraging social at the level of the individual sales representative.
- **Social selling is a supplement to each element of your sales cycle.** Much like social marketing should not stand alone as its own silo, but must be integrated with the rest of your marketing mix, the same is true with social selling. It will serve as a powerful addition, not replacement, for your current activities in each phase of your customer's life cycle.
- **Successful social selling initiatives require training.** Your sales organizations will not magically acquire the new skills required to use social as a part of their selling process on their own. You have to create in-depth training that not only focuses on the value of engaging in social selling, but also stresses best practices and immediate, practical advice to get started quickly.

## Appendix A: Methodology

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In this study, Forrester interviewed 18 organizations (in the United States) to evaluate how sales leaders and sales management leverage social tools to help sell (see Figure 3). Survey participants included frontline sales representatives, sales management, and sales enablement professionals. Questions asked to the participants included:

- What is your firm's corporate social strategy and how does it help you sell?
- In which stages of the customer journey do you make use of social?
- How do you use social tools professionally?
- How do you measure ROI in social selling?
- How do you determine the success of your social selling efforts?
- What tools and technologies are you looking for to help you?

The study began in February 2013 and was completed in March 2013.

## Appendix B: Supplemental Material

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### Related Forrester Research

"The Four Social Marketing Tools You Need," Forrester Research, Inc., February 25, 2013

"The ROI Of 'Owner' Communities," Forrester Research, Inc., February 14, 2013

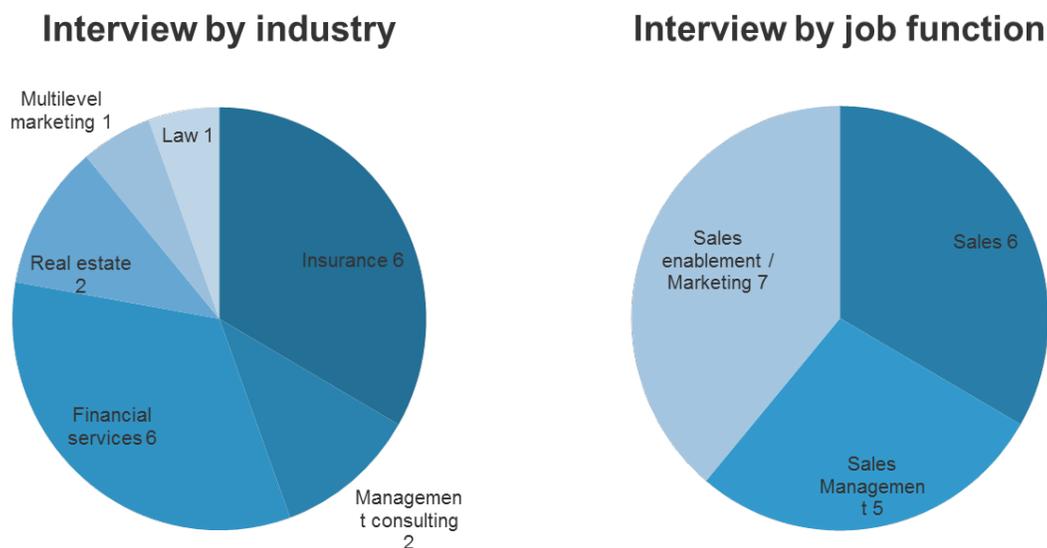
"B2B Sales And Marketing Alignment Starts With The Customer," Forrester Research, Inc., January 27, 2011

## Appendix C: Demographics/Data

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**Figure 3**  
Interviewees By Industry And Job Function

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Base: 18 sales professionals

Source: A commissioned study conducted by Forrester Consulting on behalf of Hearsay Social, March 2013

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## Appendix D: Endnotes

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<sup>1</sup> For more information about how the traditional marketing funnel has been done in by consumer behaviors that are anything but linear, see the March 20, 2013, “Fragmented Path-To-Purchase Demands Everywhere Marketing [93061]” report.

<sup>2</sup> Source: North American Technographics® Consumer Deep Dive: Investigating The Customer Life Cycle (Discover Phase) Survey, Q3 2012 (US) and “Mix Art And Science For Marketing Success,” Forrester Research, Inc., January 14, 2013.

<sup>3</sup> Forrester recently published a Wave of the leaders in the Social Relationship technology space; for more information, see the April 16, 2013, “The Forrester Wave™: Social Relationship Platforms, Q2 2013 [94761]” report.