

The State of Sales and Marketing Alignment in 2021

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About Freshworks



Preface

Arun Pattabhiraman
Chief Growth Officer
Freshworks Inc

We are in 2021 and it seems like most companies are still struggling to align the two most important functions that drive business growth - sales and marketing. It's high time we understood why. 'The State of Sales and Marketing Alignment in 2021' report is our attempt to understand where businesses currently stand in terms of alignment, the impact this misalignment has on revenue growth, and why companies struggle to drive alignment in the first place. We surveyed over 1,200 sales and marketing leaders globally to get a deeper understanding of this hot button topic. It is the largest survey ever of its kind, and the insights are telling.

A total of 72% of leaders believe that a strong alignment between sales and marketing teams positively impacts performance. In fact, sales and marketing teams that were "not highly aligned" in 2020 were 2X more likely to experience a revenue decline (of more than 20%) compared to those that were highly aligned.

Clearly, both teams want greater visibility into each other's work. The #1 demand by salespeople from marketing is more visibility into upper funnel activities. This contextual intelligence enables salespeople to craft the right pitch to the right prospect and close more deals. Similarly, 71% of marketers demand more visibility into

lower-funnel activities. Marketers use these insights to refine their marketing programs to generate higher quality leads and improve ROI of spends. While both sales and marketing leaders articulated the need to understand the customer journey better, they were unhappy with the current level of visibility they were equipped with, suggesting a fundamental disconnect between systems and tools that were meant to provide this insight.

Despite the desire for teams to achieve greater alignment, there are significant challenges to overcome. In most organizations, customer data is fragmented across multiple tools, robbing go-to-market teams of a 360-degree view of the customer journey. This fragmentation also leads to a rapid decay of customer context across different teams, directly impacting customer experience and business growth metrics. While half of all sales and marketing professionals said fragmentation itself is the main roadblock, a further third highlighted the lack of accurate data on their prospects and customers as their biggest problem. All this serves only to widen the misalignment between teams even further.

The findings also unravel a defining trend for sales-marketing relationships from a demographic perspective. Millennials are paving the way for more harmony between sales and marketing. They meet more frequently with their peers, claim more visibility into the customer's experience, and demand more alignment. Millennials now form the largest part of the workforce, so it's our shared obligation to understand their expectations and solve for them.

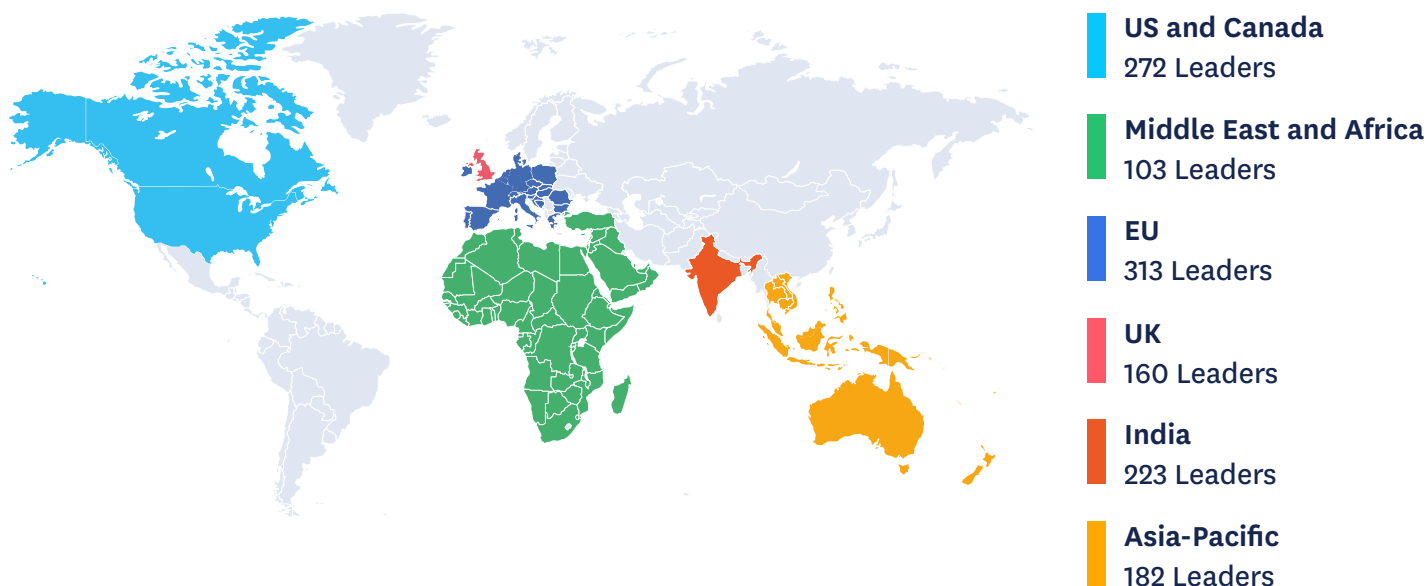
'The State of Sales and Marketing Alignment in 2021' enables businesses and teams to forge better alignment to drive growth. The importance of having your organization play as a unified team can no longer be underplayed. It's the only way to win customers-for-life.

Methodology

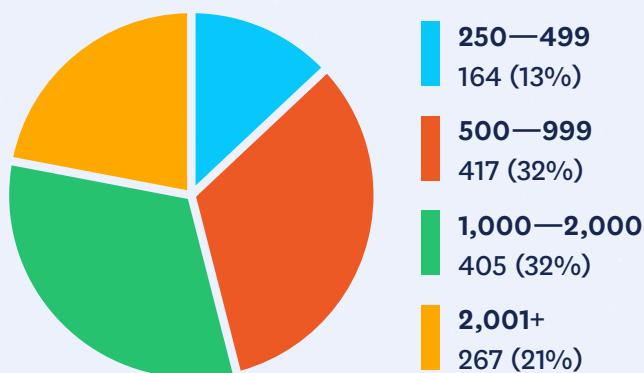
We surveyed over 1200 business leaders across six regions to get detailed insights on the current state of sales and marketing alignment.

Respondent Breakdown

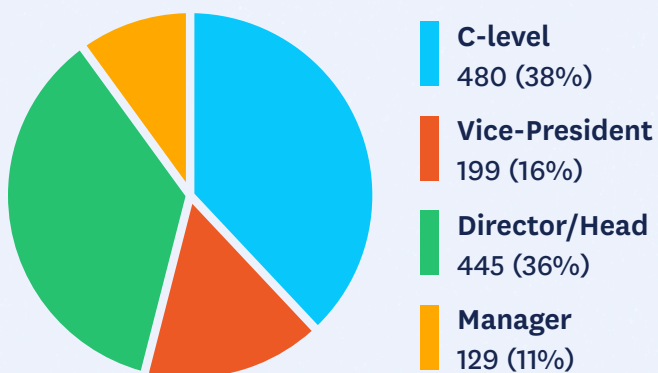
By Region



By Number of Employees



By Job Levels



Key Findings



Sales and marketing teams that were not highly aligned in 2020 were 2X more likely to experience a revenue decline of over 20% compared to the previous year.



90% of respondents think sales and marketing goals should be aligned, but only 44% believe their teams are highly aligned.



Sales and marketing agree that the biggest impediment to alignment is a lack of accurate data on prospects and customers.



Sales' #1 demand of marketing is more visibility into upper-funnel activities.

Key Findings



Marketing's #1 demand of sales is more visibility into lower-funnel activities.



65% of professionals don't have a 360-degree view of the customer's journey.



Sales and marketing alignment challenges are exacerbated in smaller companies.



Millennials' perceptions and attitudes toward sales and marketing alignment are increasingly critical to the performance of lead-generation and sales functions.

Systemic problems in the sales-marketing relationship existed well before 2020

Through good times and bad, sales and marketing teams often feel outsized pressure to perform. In times of prosperity, they're seen as the engines driving a company's success and are often pressed to generate even more growth. In leaner times, the pressure is on to find those elusive new customers who will help the business survive.

For many organizations, 2020 was a lean year, and sales and marketing teams felt a heavy burden to pull their companies out of the economic challenges brought on by the global pandemic. This was no small feat. In the end, 65% of sales teams surveyed for this report say they failed to improve their 2019 revenues, while only 34% beat their sales forecasts. Marketing teams, for their part, found lead-generation difficult: 60% failed to improve their lead-gen rates over the previous year.

Working under lockdown and facing an impending economic downturn, business development teams struggled to coordinate their efforts and collaborate on strategy. Very few companies performed the way they had expected going into the year. But can the pandemic be blamed for all business woes in 2020?

Alignment at all levels is seen as critical to a company's success.

On average, respondents said 40% of their revenue change had nothing to do with the COVID-19 pandemic. Even travel and hospitality companies attributed 31% of their revenue change to factors other than the Coronavirus and resulting downturn.

Better alignment has long been seen as both a challenge and opportunity for sales and marketing teams. According to the research conducted for this report, professionals of both disciplines think that their teams should be aligned on issues such as goals and objectives, strategy and planning, performance metrics, and processes. Alignment at all levels is seen as critical to a company's success. Yet the sales and marketing function is not operating as one team as often as they should be.

Overall, the research contained in this report indicates that for many companies, systemic problems between sales and marketing were suddenly brought to a head in 2020. Strategic and tactical misalignments were exacerbated by the difficulties posed by the pandemic but it was not the cause of these misalignments.

Yet even in the midst of a crippling pandemic, 35% of companies improved their revenue year-over-year, and 40% increased their lead-generation rate. So why did some teams succeed where others failed? This report explores this question by examining stresses on the sales-marketing relationship that have been bubbling under the surface for a long time.

The following research is the largest study ever conducted of its kind on sales-marketing alignment, with over 1,200 professionals surveyed.



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What sales and marketing teams want from each other

Sales and marketing are often seen as two sides of the same coin. Essentially, both teams share the same goals: acquire customers and generate revenue. But the way each team works toward these broad goals can be worlds apart, and at times may appear at odds with each other.

Marketing's role is to inform and educate prospects about the company's value proposition. They spark interest about a product or service. Sales, meanwhile, interacts directly with prospects to convert them into customers.

Given these separate yet symbiotic activities, what salespeople want from marketers—and vice versa—are strongly related yet materially quite different.

Sales' #1 demand: more insight into the funnel

Because they are responsible for business development and directly growing the bottom line, it's hardly surprising that what salespeople want most from marketing is better leads and improved information about those leads. When asked what they need most from marketing, 39% of salespeople ranked “more visibility into prospects' upper-funnel activities” as the most important or second-most important thing their marketing peers could do for them. In a close second place was “better quality leads” (34%), while a quarter of respondents (24%) said they wanted “more leads.”

Yet sales professionals also want marketing to contribute in other tangible ways. They want more brand awareness among new prospects (24%) and more competitive information and intelligence (22%).

What salespeople *don't* necessarily want from their marketing colleagues is:

- Content more closely related to stages in customer's journey (just 7% ranked this most- or second-most important)
- Better training around products and services (7%)
- Varied messaging for different customer roles (5%)
- Lead scoring to help prioritize efforts (2%)
- More events (1%)

In fact, lead scoring and “more events” were extremely unpopular choices: 85% and 90% of survey respondents, respectively, didn't even rank them in their top five.

Salespeople want upper-funnel visibility.

All told, the biggest thing salespeople want from their marketing colleagues is more visibility into upper-funnel prospect activities. Not only do a majority of salespeople (57%) place “upper-funnel visibility” somewhere in their top five wishes, but it was also most commonly placed as the Number-One choice — most important — desire.

The marketing-sales funnel represents how leads become customers. At the top of the funnel, the entry point is wide. This is where marketers try to drive awareness of their company's offerings. Upper-funnel prospect activities like prospects signing up for more information are the first stage of lead-generation.

In an ideal world, sales and marketing teams both have a 360-degree view of prospects and customers, allowing them to see data on prospect conversations and customer engagement. This would enable sales and marketing teams to see one truth.

More visibility into upper-funnel activities is the salesperson's number-one wish from marketing because without it they're less able to track the journey of potential customers, anticipate their needs, or find the right path to convert them into customers.

What sales wants from marketing items ranked as the #1 wish by popularity

1	More visibility into prospects' upper-funnel activities
2	Better quality leads
3	More leads
4	More brand awareness among new prospects
5	Competitive information/intelligence

What sales wants from marketing — items ranked in respondents' top 5



Marketing's #1 demand: more insight into the funnel

Ask marketers the same question, and the majority (71%) will tell you that more visibility into lower-funnel outcomes is their number one (or two) greatest need. The second- and third-most common wishes from marketers, respectively, is for their selling counterparts to use the CRM more consistently and to keep prospect data clean and up to date. CRMs are vitally important tools for ensuring sales and marketing alignment. They provide an organization with one truth, yet they are consistently underutilized. Both sides can benefit from more consistent use of the CRM, including following processes, entering information accurately, and consistently delivering on-brand messaging to prospects and customers. Consistent use of the CRM provides one truth from which the two teams can operate.

Top desire for Marketers: Lower-funnel visibility.

Two thirds also want better prospecting from sales. They want salespeople to ask open-ended questions and provide recordings or reporting of prospect responses so that this data can be mined and analyzed for improvements.

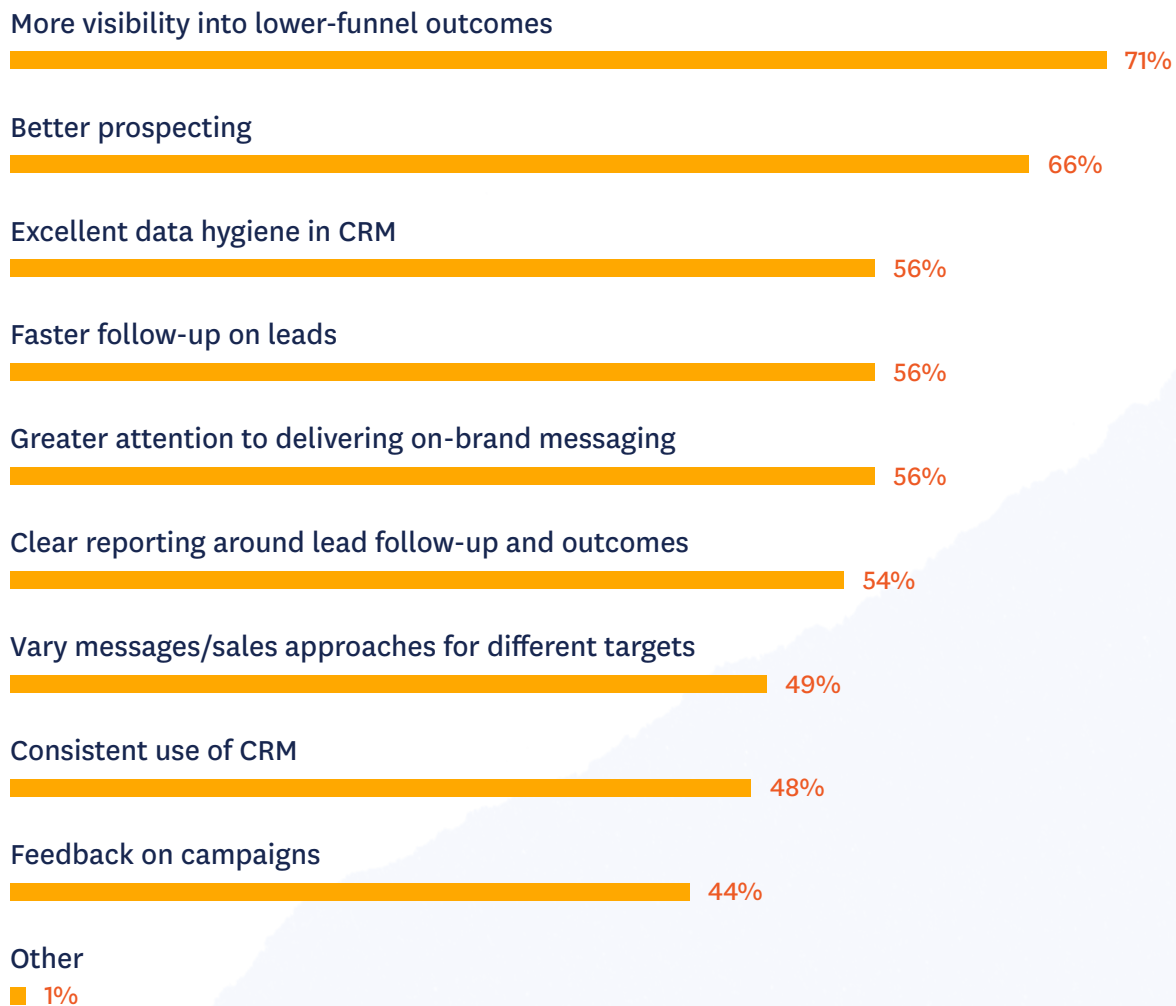
More visibility into lower-funnel prospect activities (e.g. sales calls, product demos) is the marketer's number one desire from sales because it gives them insight into what is happening with their leads—insights that they can learn from and use to refine their campaigns to generate higher-quality leads.

What marketing wants from sales — items ranked as #1 wish, by popularity

1	More visibility into lower-funnel outcomes
2	Consistent use of CRM
3	Excellent data hygiene in CRM
4	Faster follow-up on leads
5	Better prospecting

Salespeople are in agreement about what's important to receive from their marketing peers—they primarily want just three things: better quality leads, more visibility into upper-funnel activities, and better-quality content to share with prospects. In stark contrast, marketing professionals seem to expect a much wider range of support and information; Marketers scored six of 10 options above 53%.

What marketing wants from sales — items ranked in respondents' top 5



Misaligned means missed opportunities

Sales and marketing teams work better when they work together. When the two teams focus their efforts on the same prospects and deliver complementary messages based on a shared set of information, they're more likely to increase acquisition rates and generate more revenue. And when you ask professionals in the field, there seems to be no question that sales and marketing need to be aligned, especially when it comes to the following:

- Goals and objectives
- Strategy and planning
- Performance metrics
- Processes and systems

Alignment in these four key areas is critical to a company's success. In 2020, 27% of salespeople who said they weren't "highly aligned" with marketing on goals and objectives saw massive revenue drops of more than 20%. Yet of those companies who said their sales and marketing functions were "highly aligned," just 13% had such dramatic falls in revenue. Similarly, of marketers who said their performance metrics weren't well-aligned with those of sales, only 22% were able to improve their lead-generation rates over the previous year, versus 38% of those who were highly aligned.

Alignment reality consistently falls short of expectations.

In addition to believing in the benefits of overall strategic alignment, over three quarters of sales and marketing professionals (76%) think their teams need to be aligned on daily tactical activities, helping the two functions operate as one team.

While belief in the advantages of alignment may be high, putting it into action is another matter altogether. When pressed about alignment with their counterparts, the reality consistently falls short of their aspirations. It seems sales and marketing teams simply aren't as aligned as they'd like to be.

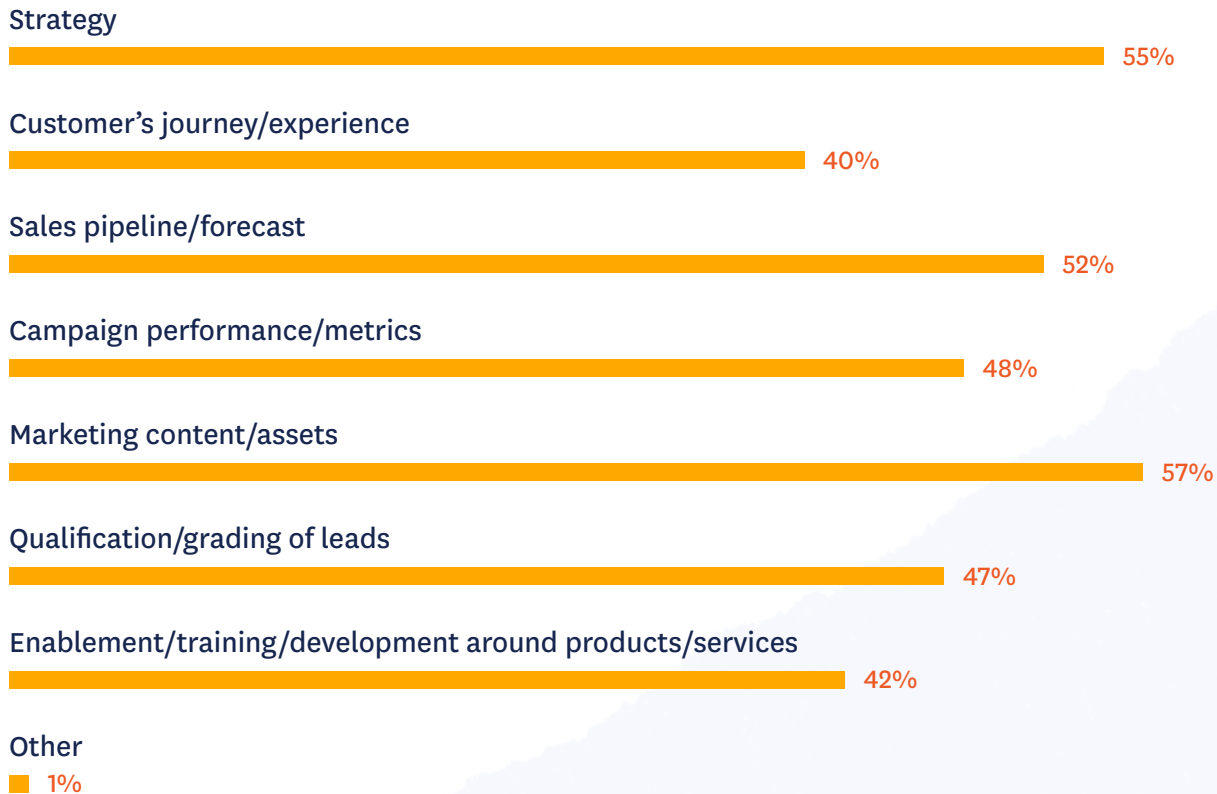
For instance, while the vast majority of respondents (90%) said teams should be aligned on goals and objectives, fewer actually believe their departments are aligned and operating as one team. Similarly, while 87% expressed a belief that teams should have high alignment on planning and strategy, fewer say this type of alignment exists in their organization.

In only one area—office proximity—did people see their organization as more aligned than they wanted. Given the circumstances of working life last year, it is entirely possible that this result may have been skewed by the effects of pandemic lockdowns and work from home provisions.

The good news is that even if they are not properly aligned, sales and marketing teams nonetheless seem to interact regularly. Two thirds of teams interact at least weekly: 31% daily, and 37% weekly. A further 10% interact every two weeks, while 16% communicate at least monthly.

It is not surprising that customer journey/experience is the least discussed topic when sales and marketing leaders interact with each other. A possible reason that this topic is a low priority is the lack of intelligence about the customer, which is reinforced by the demand for greater visibility into funnel activities.

What do you interact with your sales/marketing colleagues about?



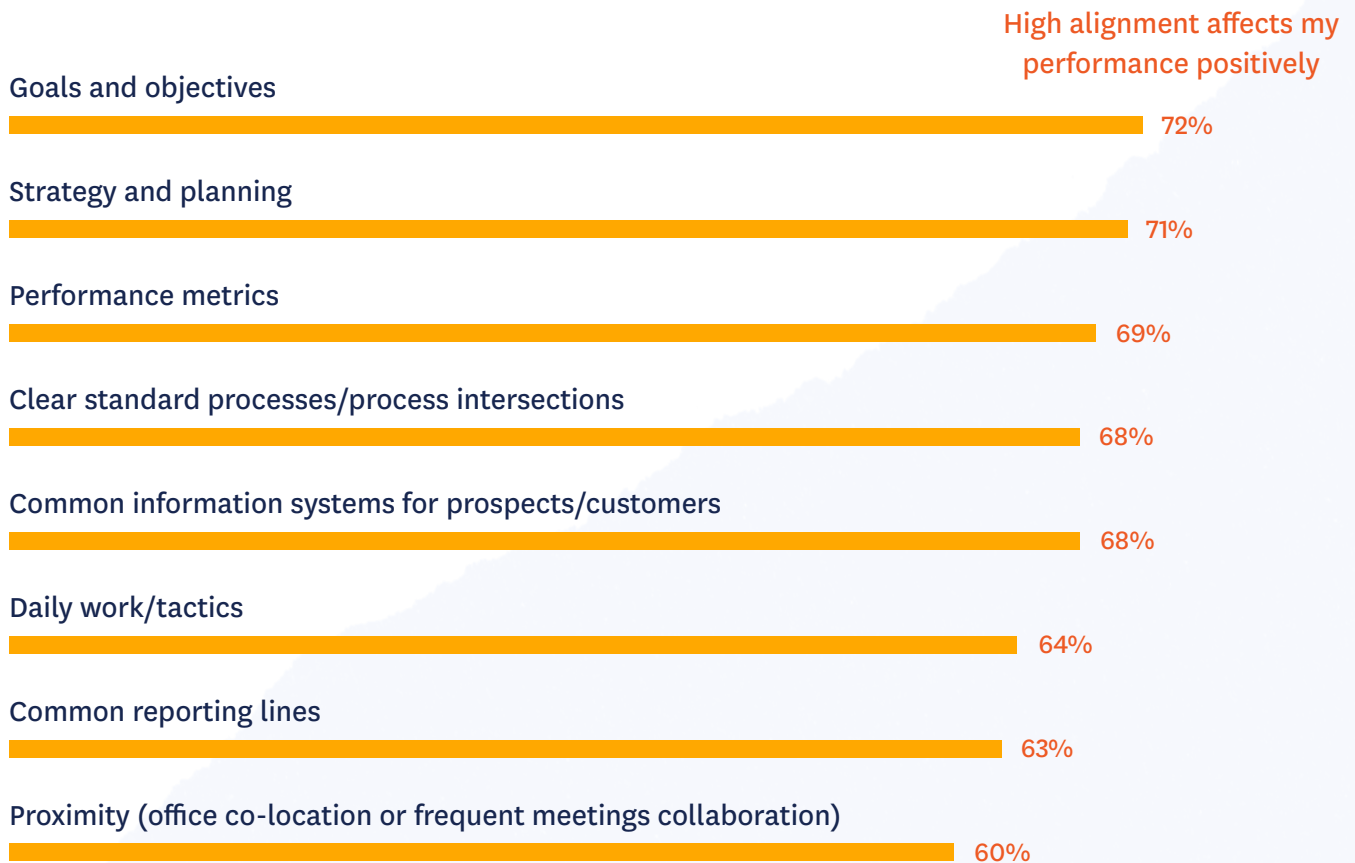
Alignment is better for job performance

When companies do align their sales and marketing functions, team members say they're better at their job. Depending on the category of alignment, when alignment is high, 60% to 72% of people say it has a "high positive impact" on their job performance.

In particular, it seems that alignment in two specific areas—goals and objectives, and strategy and planning—are most crucial to improving job performance: 72% and

71% of respondents, respectively, say that better alignment improved their job performance in these areas. A majority of respondents also felt that when the two departments are operating as one team in areas such as performance metrics, processes, and use of information systems was important for them to be able to do their job to the best of their abilities.

How high alignment impacts job performance



The opposite also seems to be true: Sales and marketing team members believe that a lack of alignment impacts their job performance negatively. Whenever respondents said their sales and marketing teams weren't aligned, on average the group expressed significant negative feelings about their job performance.

Low alignment affects my performance negatively

Low alignment affects my performance positively

Strategy and planning



Performance metrics



Clear standard processes/process intersections



Daily work/tactics



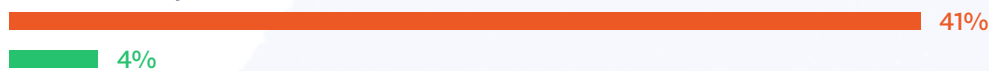
Common reporting lines



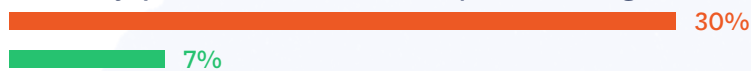
Common information systems for prospects/customers



Goals and objectives



Proximity (office co-location or frequent meetings collaboration)



The impact of low alignment on job performance is even more heightened in smaller organizations. For instance, in companies with 51 to 100 salespeople, 21% more respondents said low alignment of goals and objectives negatively affected job performance than did respondents in organizations with sales teams of 500 or more members. Similarly, 69% of companies with fewer than 10 marketers said low goals and objectives alignment negatively impacted them, compared to just 27% of respondents at companies with more than 500 marketers.

Impact of goals alignment and job performance by company size

Companies with...	Low alignment of goals and objective impacts my job performance	
	Negatively	Positively
11 to 50 salespeople	45%	5%
51 to 100 salespeople	50%	6%
101 to 200 salespeople	43%	5%
201 to 500 salespeople	43%	0%
500+ salespeople	29%	0%

Companies with...	Negatively	Positively
<10 marketers	69%	0%
11 to 50 marketers	44%	2%
51 to 100 marketers	26%	5%
101 to 200 marketers	49%	7%
201 to 500 marketers	48%	4%
500+ marketers	27%	0%

Roadblocks to achieving alignment

For sales and marketing to work as one team, there are a number of challenges to be overcome. Chief among these challenges is technology. Half of all sales and marketing professionals say the greatest obstacle to achieving their vision of optimal sales-marketing alignment is that information about prospects and customers is fragmented across multiple sales and marketing systems.

If sales and marketing teams can't access details about clients and prospects—and if those details aren't accurate—then they'll have a tough task converting prospects into customers. They will not be working from one truth, but many. If marketers don't know which leads ultimately convert, they won't know how to optimize their lead-gen efforts. And if sales doesn't have the right context or insight from marketing, they will find it difficult to seamlessly continue the company's conversation with the prospect.

Biggest impediment to alignment: Lack of accurate data.

Indeed, 35% of respondents said the biggest impediment to alignment was a lack of accurate data on prospects and customers, while 34% decried broken or flawed processes such as poor handoffs of leads from marketing to sales.

The majority of salespeople in smallest sales organizations (<10 staff) felt the biggest impediment to working as one team was a lack of shared Key Performance Indicators, whereas members of the biggest teams (500+ salespeople) think the greatest roadblock is that information about prospects/customers is fragmented across multiple sales and marketing systems.

Greatest challenges to achieving optimal sales-marketing alignment



While technology is the great enabler of alignment, subpar systems present plenty of roadblocks to implementing good sales and marketing processes and practices.

More than a third (37%) of sales and marketing professionals say their teams use separate systems to view and understand prospects and customers. More than a third (37%) also think they have too many different or overlapping work systems and

platforms. As a result of separate, overlapping, or multiple platforms, the biggest impediment to centralization is the fragmentation of customer information. Half of respondents say that because critical customer data isn't centrally located, they are not seeing one truth, and would be challenged to implement a holistic system.

Since customer information is fragmented between multiple systems and tools, it is difficult—if not impossible—for salespeople and marketers to have a complete view of the customer. This fragmentation leads to less engagement, lower win rates and, ultimately, lower revenue numbers.

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The biggest sales and marketing technology challenges

Customer information is fragmented



Sales and marketing teams use separate systems to view and understand prospects and customers



Too many different and/or overlapping work systems and platforms



Lacking state-of-the-art sales effectiveness tools



Lack of integration/automated flow of data from one tool/system/solution to the next (mandating manual data re-entry or mapping)



Weak capabilities for generating performance metrics for sales



Weak capabilities for generating performance metrics for marketing



Complicated/difficult for most personnel to learn and use



Overemphasis on productivity/efficiency versus effectiveness



Difficult/poor reporting capabilities



Other



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The Millennial movement

Plenty of research shows that Millennials approach work differently from previous generations. A prominent Gallup study on Millennials found that this diverse group pushes for change in the workplace to a much greater degree than previous generations. Millennials—the oldest of whom are now 40—do not accept “That’s the way it’s always been done” as an answer to workplace or process questions.

Instead, the generation that grew up in a period of heightened social, technological and economic change wishes to be free of old workplace policies and performance management standards. And that means they expect workplace leaders, managers and colleagues to adapt accordingly.

Millennials are more convinced of the benefits of alignment.

This remains true in sales and marketing, with Millennial survey respondents reporting different behavior and expectations than older generations. For example, Millennials interact more often with their sales and marketing counterparts than do Gen Xers or Boomers, while previous generations are more likely to only meet with their counterparts monthly or quarterly.

How often do you meet with your sales or marketing counterparts?

	Daily	Weekly	Once in 15 days	Monthly	Quarterly	Annually	Never
20—40	32%	37%	10%	14%	5%	1%	0%
41 or older	29%	36%	9%	18%	6%	1%	0%

Millennials also claim that they regularly have a higher level of visibility over clients and prospects than data would indicate. Thirty-six percent of sales and marketing professionals between the ages 20 and 40 say that on a regular/daily basis they have a 360-degree view of the journey taken by each prospect, whereas only 34% of their colleagues 41 and older claim the same level of insight. While that percentage difference may be narrow, it seems significant—especially when more Millennials believe that visibility helps them with their job performance. When asked if a 360-degree visibility of the journey taken by each prospect helps them with their job performance, 88% of Millennials said yes compared with 81% of Boomers and Gen Xers. Conversely, just 12% said such visibility doesn't help them, compared to almost 20% of older colleagues.

Percent of respondents who say they have 360-degree visibility of prospect journey

	360-degree visibility of prospect journey
Millennials	36%
Gen X and Boomers	34%

Does 360-degree view help job performance?

360-degree visibility helps me



■ Millennials

■ Gen X and Boomers

Millennials demand alignment

Younger salespeople and marketers are also, on balance, more convinced of the importance of alignment between their teams. All generations of sales and marketing professionals believe strongly in the need for alignment: 90% of Millennials, Gen Xers and Boomers agree that sales and marketing teams should be aligned. Beyond alignment of goals and strategy, however, Millennials consistently exhibit a belief in the need for alignment significantly higher than that of older generations.

While 79% of Boomers and Gen Xers profess that performance metrics should be aligned, 7% more Millennials feel this way. Perhaps most strikingly, Millennials have an outsized attitude towards the alignment of daily work/tactical plays, team proximity, and the frequency of meetings and collaboration.

What functions should be highly aligned between sales and marketing?

Sales and marketing should be highly aligned on...	Millennials	Gen X and Boomers
Goals and objectives	90%	90%
Performance metrics	86%	79%
Common systems	83%	81%
Strategy and planning	89%	83%
Daily work and tactics	82%	67%
Reporting lines	83%	70%
Processes	85%	78%
Proximity/meetings	80%	64%

Whether or not their teams actually are aligned, Millennials exhibit a lower degree of skepticism than their older colleagues. When asked if they felt their teams were aligned on goals and objectives, 88% of Millennials said they were highly aligned, whereas only 80% of Gen Xers and Boomers agreed with this statement.

Perception of alignment widened even further between the generations on factors such as performance metrics, common systems, and strategy and planning. The widest gaps in positive sentiment were over tactical and proximal alignment. Millennials were 16% more confident that their teams were aligned over daily work and tactical issues, as well as the frequency of meetings and collaboration, as compared with their older counterparts.

Similarly, the percentage of Millennials who think sales and marketing are not working as one team is often appreciably smaller than the percentage of their older peers who express the same view. This trend is most stark over reporting lines, daily work and tactics, and proximity/frequency of meetings. But generational differences in opinions on misalignment are also significant for processes, performance metrics, and strategy and planning.



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Are your teams currently highly aligned?

Sales and marketing are highly aligned on...	Millennials	Gen X and Boomers
Goals and objectives	88%	80%
Performance metrics	82%	73%
Common systems	84%	71%
Strategy and planning	86%	75%
Daily work and tactics	82%	66%
Reporting lines	82%	67%
Processes	81%	65%
Proximity/meetings	82%	67%

Aged between 25 and 40 years old, Millennials are now by far the largest group of employees in the workforce. They are also increasingly in positions of influence and decision-making as they rise through the corporate ranks to managerial positions, deepening their experiences and applying their own brand of solutions to the perceived problems they encounter along the way.

As such, the Millennial view is likely to become the dominant view in many organizations. And the importance they place on functional alignment between sales and marketing is certain to shape company policy and processes in years to come.

Creating unity between sales and marketing

As much as sales and marketing teams say they want to work together, there has always been a clear lack of alignment between the two functions.

Too often, sales and marketing teams lack the insight they need to make better, more, informed decisions about prospects and customers. This insight can only come from better alignment on strategy, process, and goals, as well as a shared platform that gives an up-to-date, 360-degree view of the customer profile.

When sales and marketing work in unison—towards coordinated goals and strategies, using the same customer insights and decision making processes—organizations enjoy much higher conversion rates. Yet there are considerable impediments to functional alignment and collaboration.

Fragmented data is one of the biggest challenges.

One of the biggest challenges is that information about prospects and customers is often fragmented across multiple sales and marketing systems. Sales and marketing professionals find it difficult to perform their job successfully if they cannot adequately share details about clients and prospects. Accuracy of data is also a major obstacle to team alignment.

Finally, the Millennial experience cannot be overlooked. Generation Y is becoming increasingly influential. They are now the largest generation in the workforce and are steadily moving into more senior positions within sales and marketing teams. For Millennials, greater functional alignment is critical to improving their job performance. Without it, Millennials do not believe that sales and marketing teams are performing as best they can. And they may well be right.

About Freshworks

Freshworks provides intelligent customer engagement software for businesses of all sizes, making it easy for teams to win customers for life. Freshworks SaaS products are ready to go, easy to use and offer quick return on investment. Headquartered in San Mateo, California, Freshworks has a dedicated team operating from 13 global locations to serve customers throughout the world.

For more information visit freshworks.com

