



The state of sales and marketing

The economy review 2022/23

pipedrive

Foreword

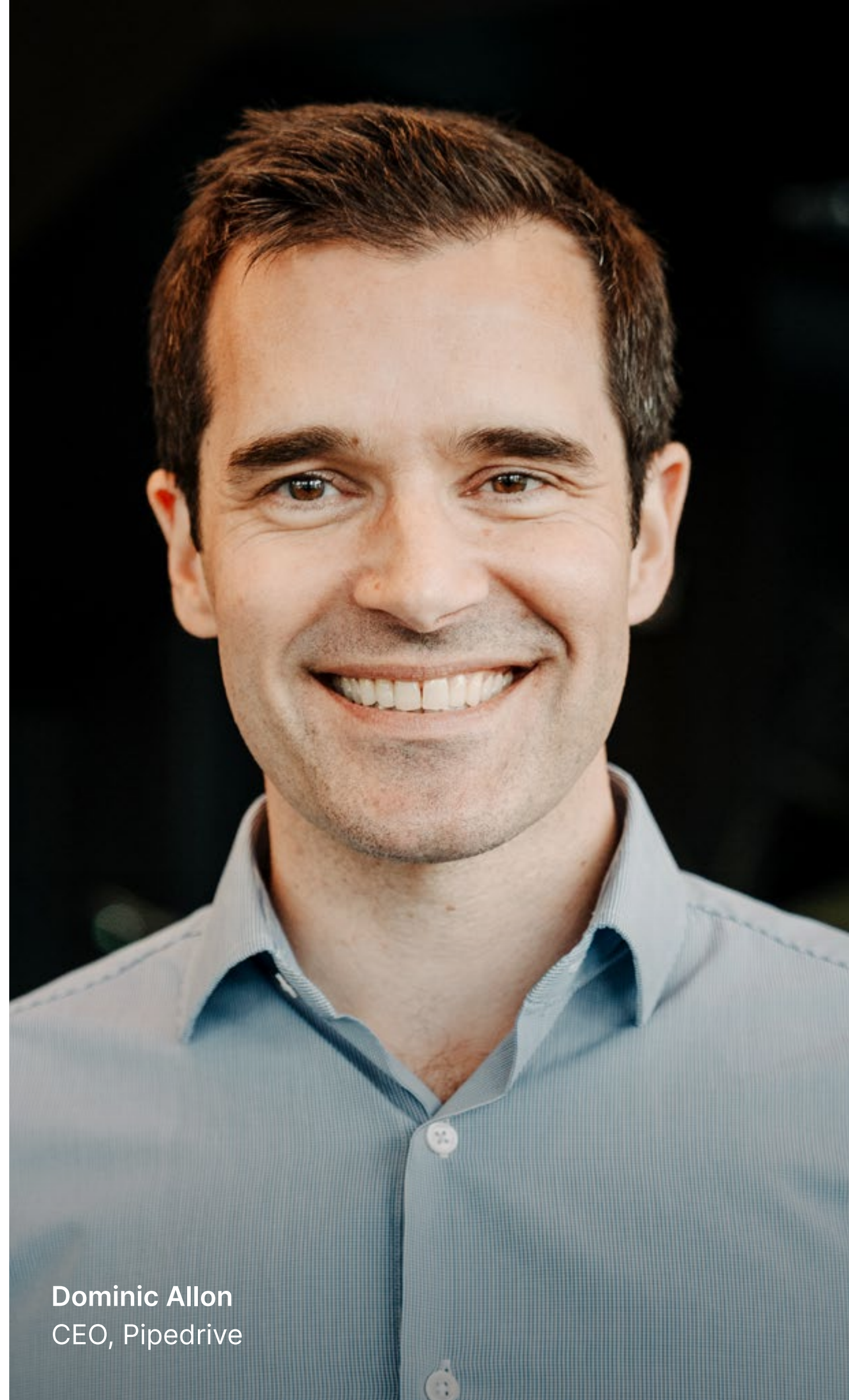
The start of this decade has been challenging for many reasons. A global pandemic was swiftly followed by an economic downturn, just as many companies were trying to return to a state of normality.

However, business owners, sales professionals and marketers have time and again proven their resilience and ability to adapt.

At a company level, businesses are still spending where it matters, growing teams and investing in technology to streamline processes and drive revenue. At the employee level, many report high hopes for the future and the ability to self-motivate when times are tough.

This is the fourth year Pipedrive has conducted the state of sales and marketing report. Each year, we survey those in revenue teams, as well as CEOs and founders, to understand key sales trends that affect them.

For this year's *The state of sales and marketing: The economy review 2022/23*, we focused on the impact that economic factors have had on business owners and sales and marketing professionals.



Dominic Allon
CEO, Pipedrive

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Key findings in sales and marketing in 2023

1 Most companies still grew, but not as many as in 2021

Although the majority (63%) of respondents claimed that the companies they work for grew more in 2022 than in 2021, the percentage of year-on-year growth has decreased from 71% in 2021. Smaller companies were especially affected, with a clear correlation between company size and employee success.

2 People remain optimistic and businesses are still investing

The vast majority of sales and marketing professionals (80%) are either optimistic or very optimistic. Businesses as a whole also seemed to be driving in a positive direction, with a higher percentage having invested more in 2022 than in previous years.

3 Budget and workforce reductions have a clear impact

Employees of businesses that cut budgets or reduced team sizes were more likely to be concerned about their and their employers' futures. Interestingly, spending less on employee benefits also had a clear link to increased concerns.

4 People are resilient, but they need support (and technology)

All signs point to people remaining positive, with many saying their own mindset supports them. However, support from colleagues and managers proved to be beneficial. Meanwhile, respondents whose companies invested in tech were more hopeful about company growth and less concerned about workloads.

Performing under pressure

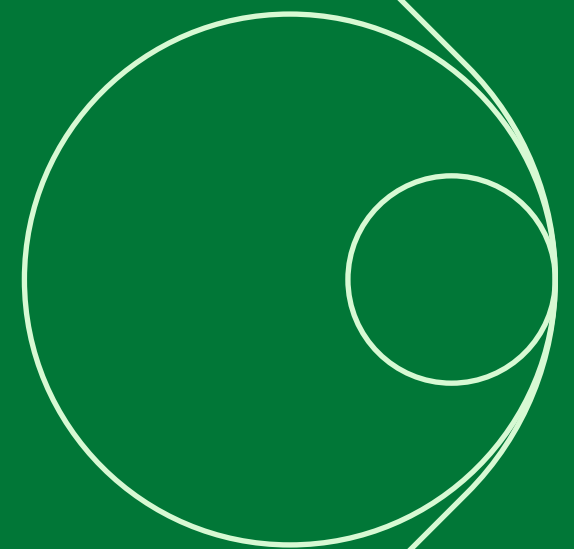
Sales and company performance in a recession

In the first chapter of this year's state of sales and marketing report, we look at how businesses performed in 2022 compared to 2021 and 2020.

We also look at how companies are faring in countries and regions in Europe and the Americas.

We delve into how employee and business performance are intertwined, with a high-performing workforce equalling a growing business.

Finally, we introduce the theme of optimism, which permeates through our report, arguably being one of the defining characteristics of those in the sales and marketing industries.

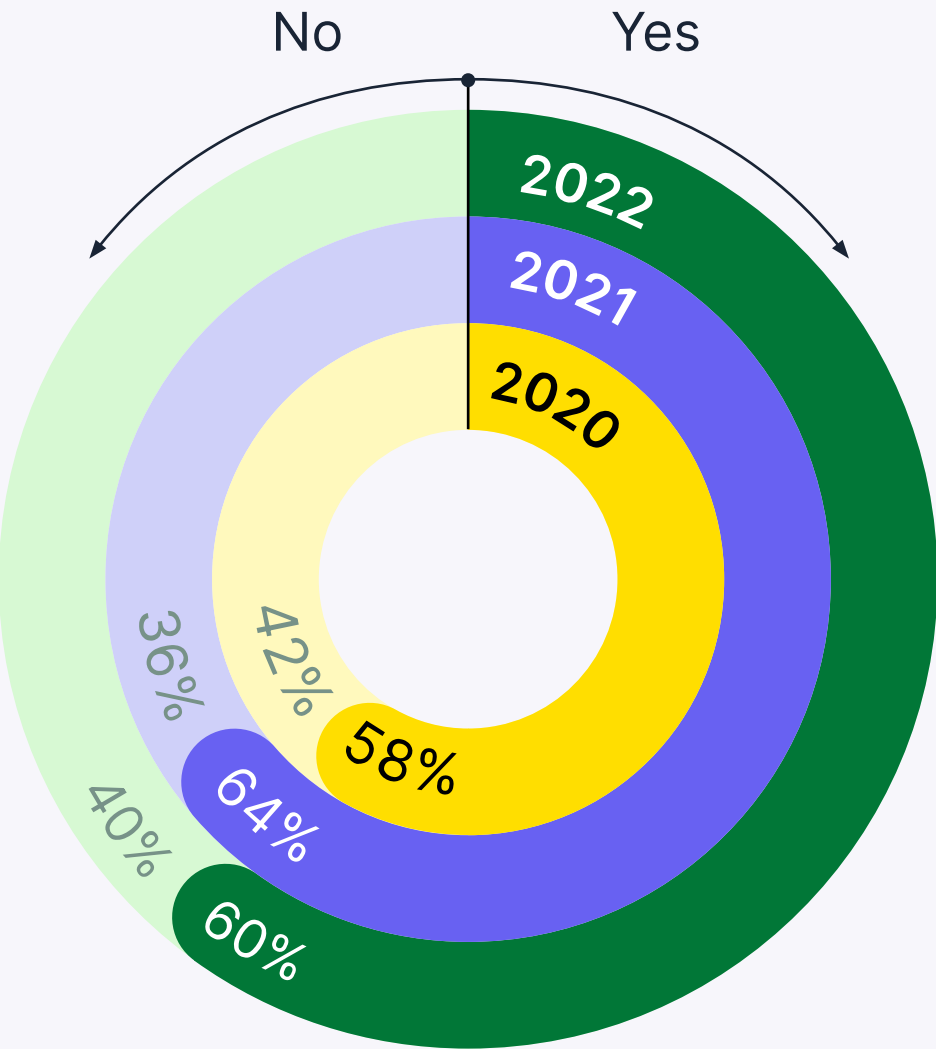


Sales performance

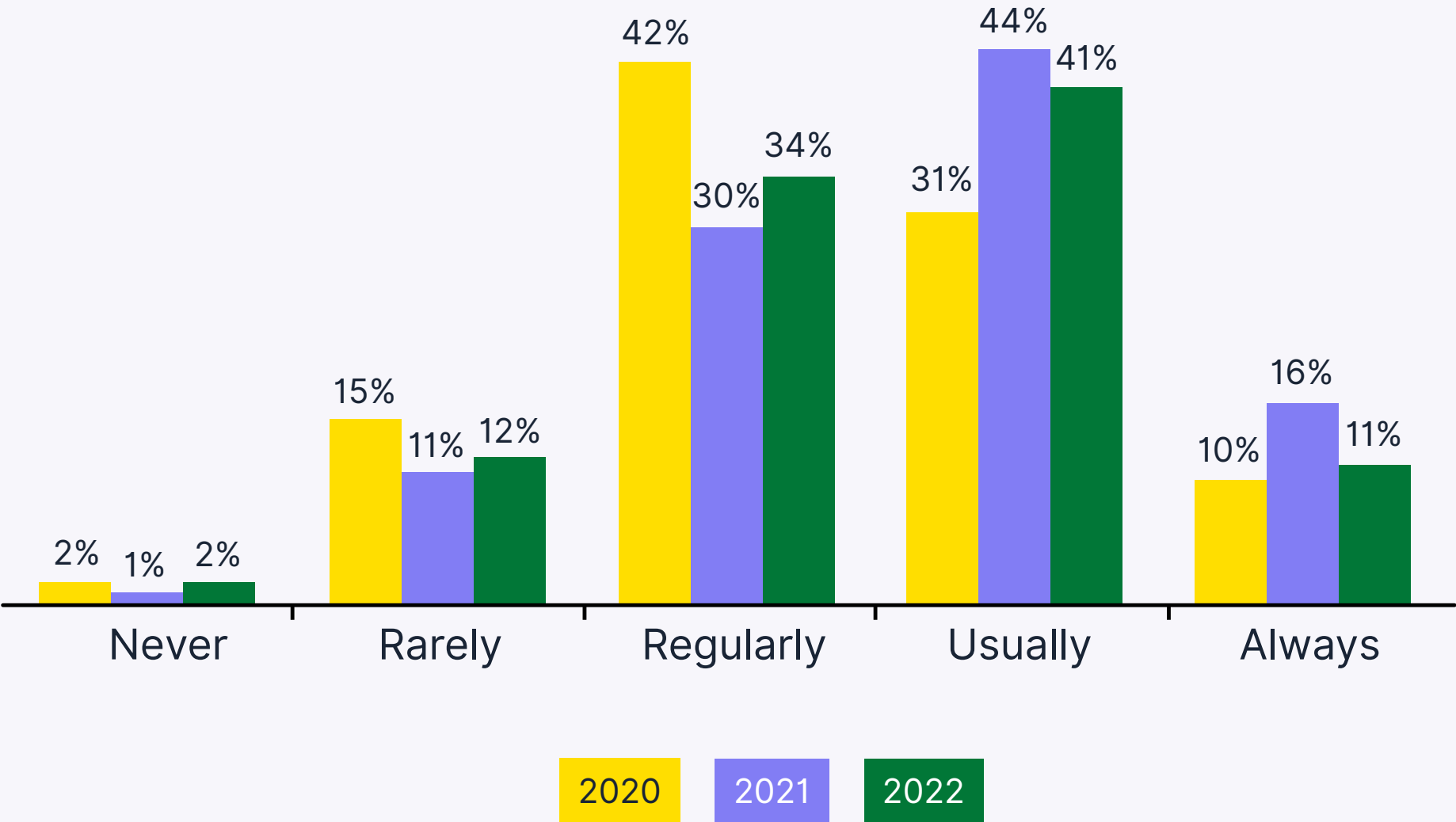
Last year, salespeople continued to thrive even in the midst of the economic recession. The vast majority of respondents (86%) reached their regular sales quota regularly, usually or always, while 60% reached their

personal annual sales target last year – only down 4 percentage points compared to the year before and higher than 2020's percentage.

Did you reach your personal annual sales target last year?



How often do you hit your regular sales quota?

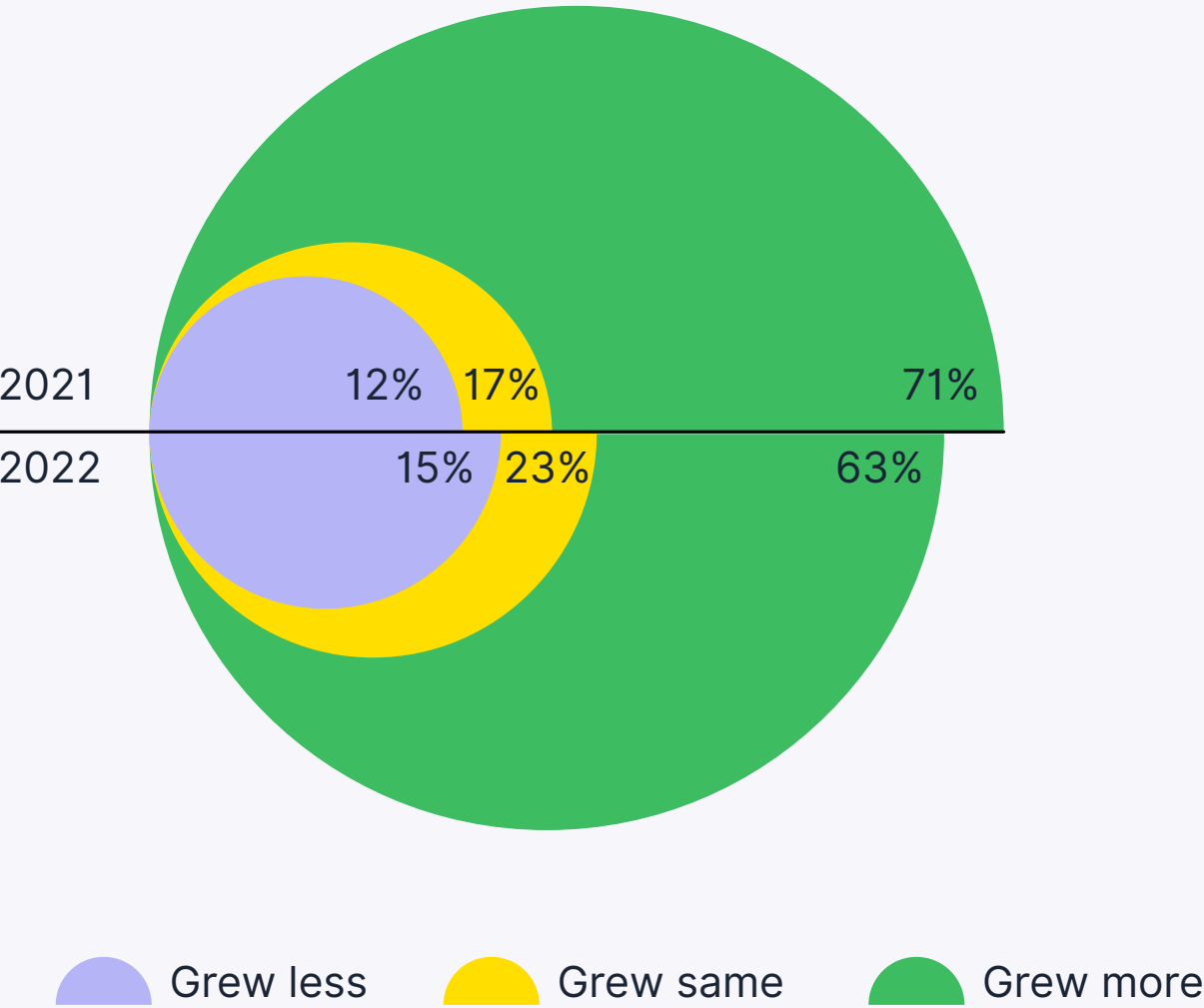


Revenue performance

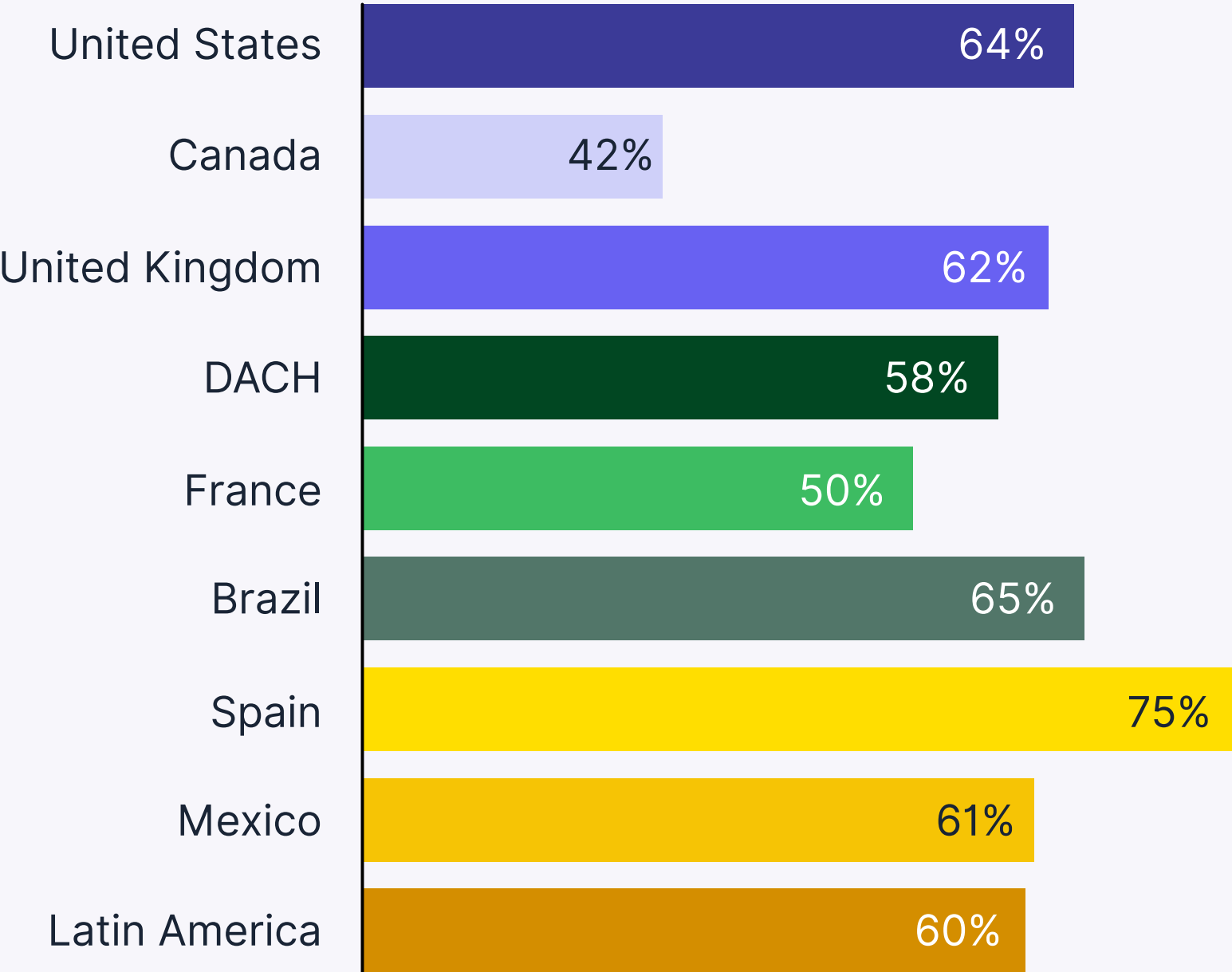
The recession has had a notable impact on the revenue growth of companies, with the number of companies that grew more than the previous year down 8 percentage points.

Some countries and regions performed well, however, with Spanish, Brazilian and US-American companies the most likely to report that they grew more than the year before.

Compared to last year, my company's revenue:



My company's revenue grew more in 2022 than in 2021:



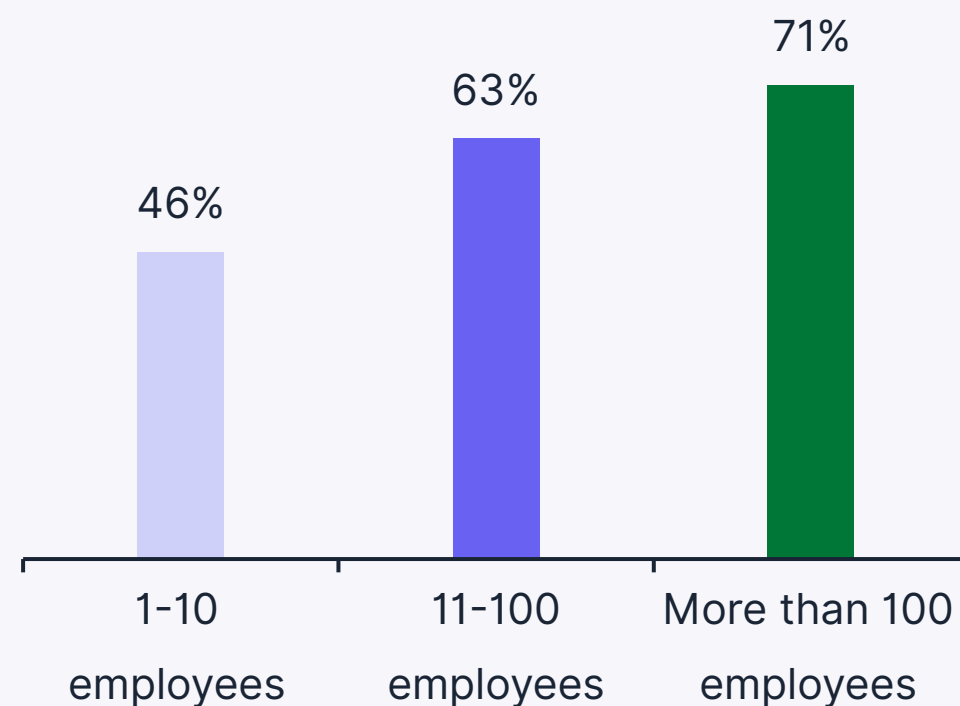
The connection between company size and employee performance

Company size had a significant impact on both employee and company performance. Respondents who worked in companies with under 11 employees were 14 percentage points less likely to reach their personal annual sales target and 10 percentage points less likely to see the revenue of their company grow than the average.

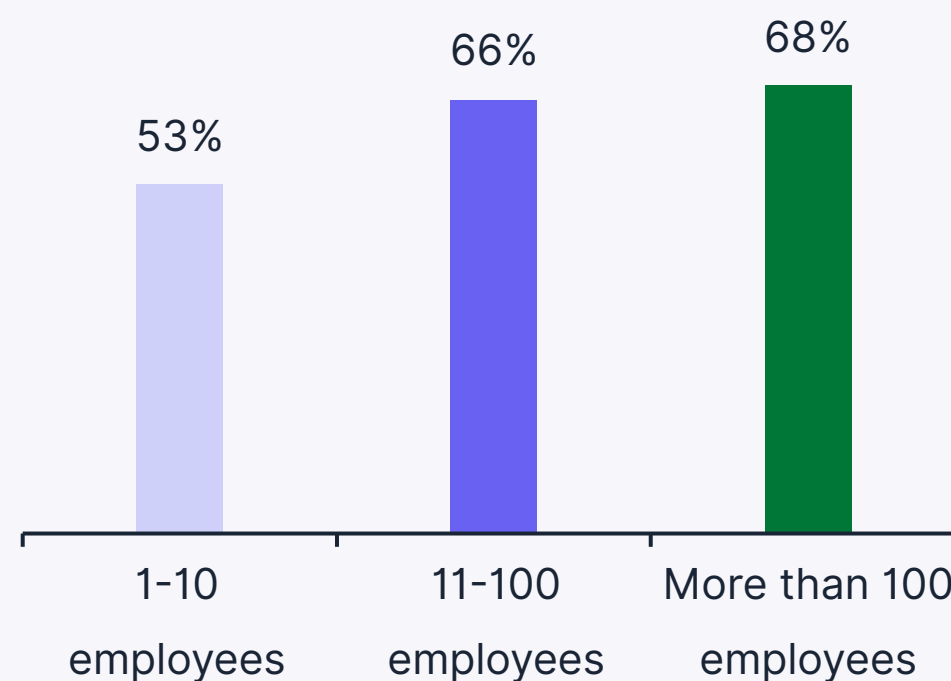
In contrast, those working in large companies were 8 percentage points more likely to always hit their regular sales quota than the average.

These statistics suggest that sales and marketing professionals the smallest companies were hit hardest by the recession, as were the companies they work for.

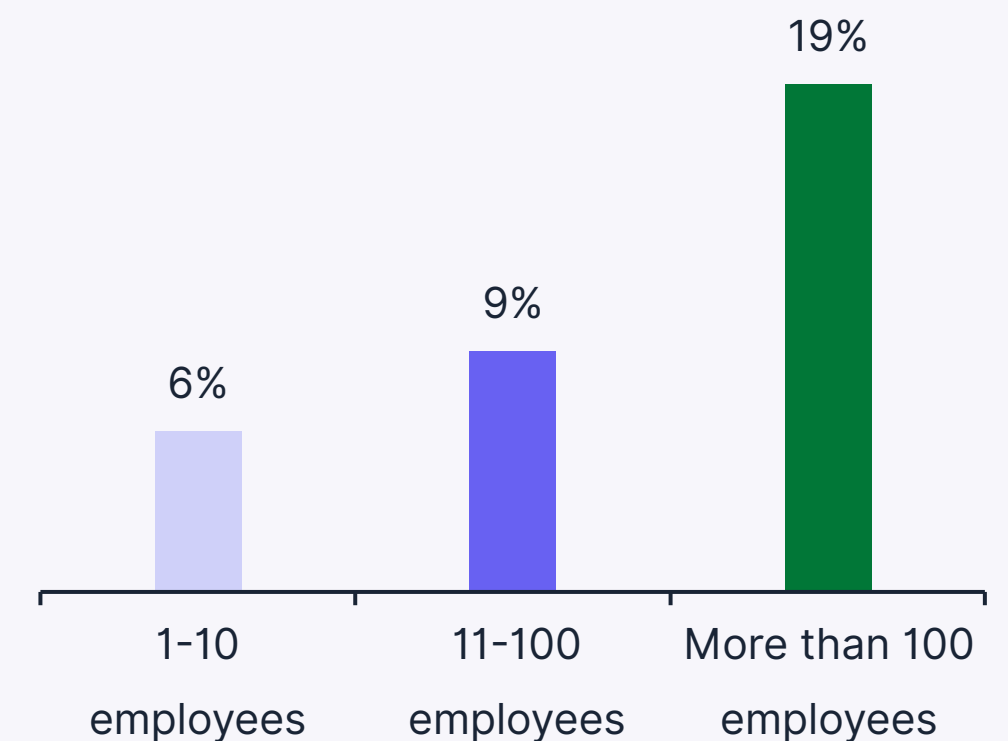
I reached my personal annual sales target last year



My company's revenue grew more in 2022 than in 2021



I always hit my regular sales quota



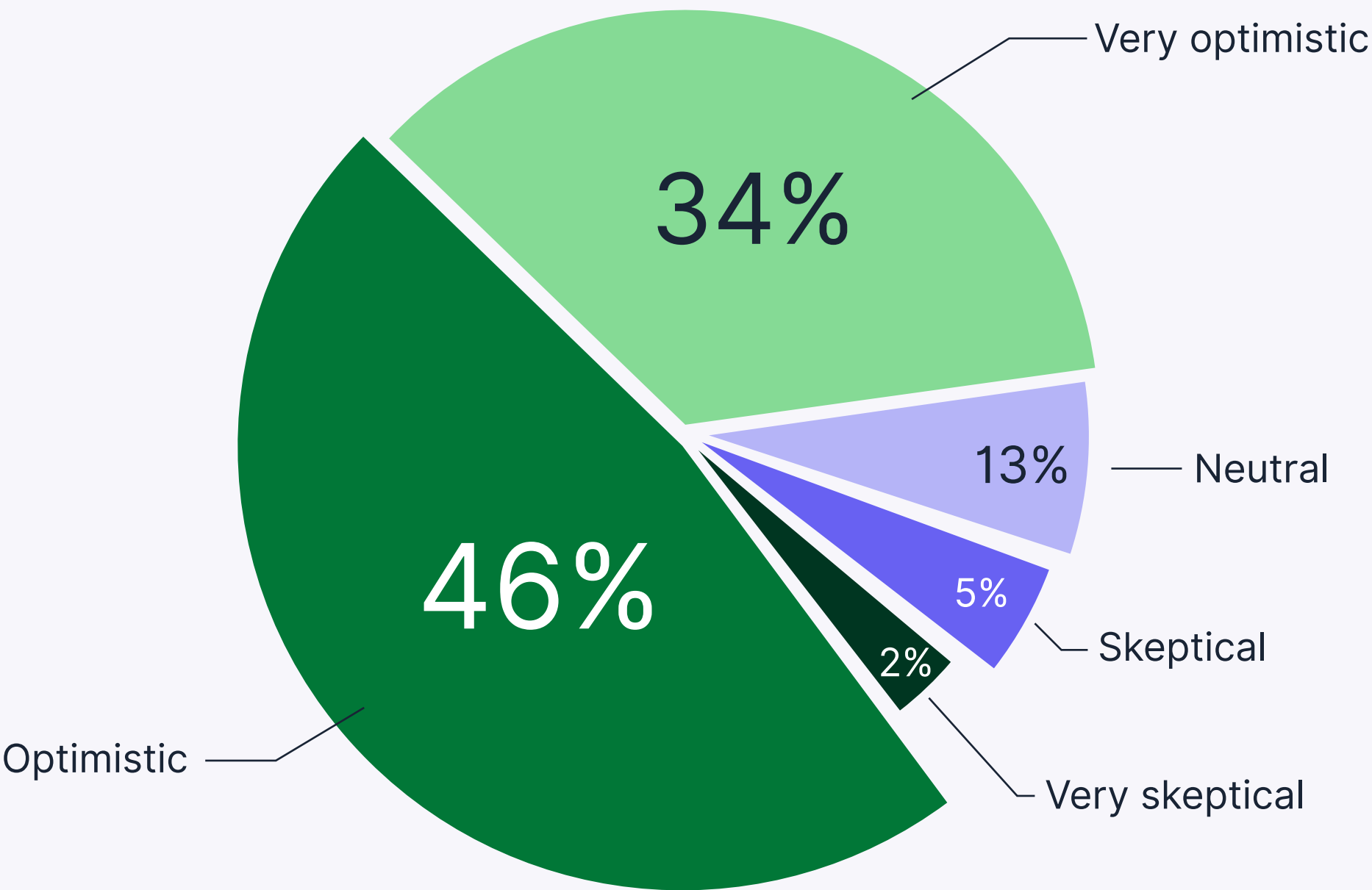
Optimism for 2023

Perhaps reassured by their ability to overcome challenges at the start of this decade, respondents remain optimistic about 2023, with 80% either optimistic (46%) or very optimistic (34%).

This is a clear example of the sales and marketing industry's resilience and high morale.

You can find more reasons for optimism, as well as levers to encourage positivity, throughout this report.

How optimistic are you about your company's performance in 2023?

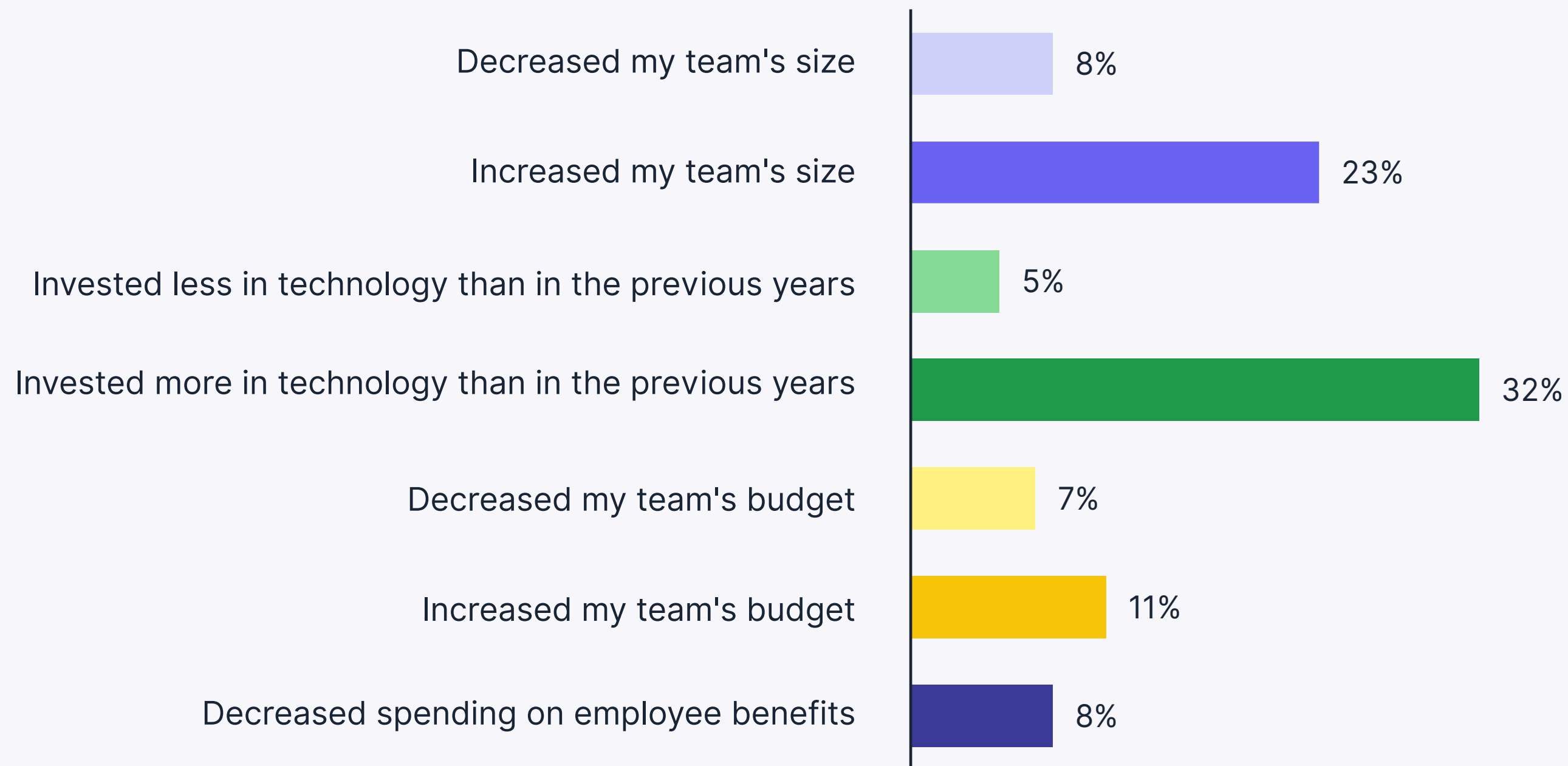


How businesses have reacted to the recession

As we saw in the previous slides, businesses have grown despite the recession.

Growth means revenue, with many respondents reporting that their businesses are investing more.

Within the current recession, my company has:



The impact of making cuts

The employees of companies that have reacted to the recession by cutting budgets and reducing their workforce face bigger challenges.

In addition, respondents who worked in companies that decreased their team's budget were 27 percentage points less likely to reach their personal annual sales target.

Respondents who worked in companies that had to stop hiring people and decrease the size of their team were 14 and 23 percentage points less likely to reach their personal annual sales target, respectively.

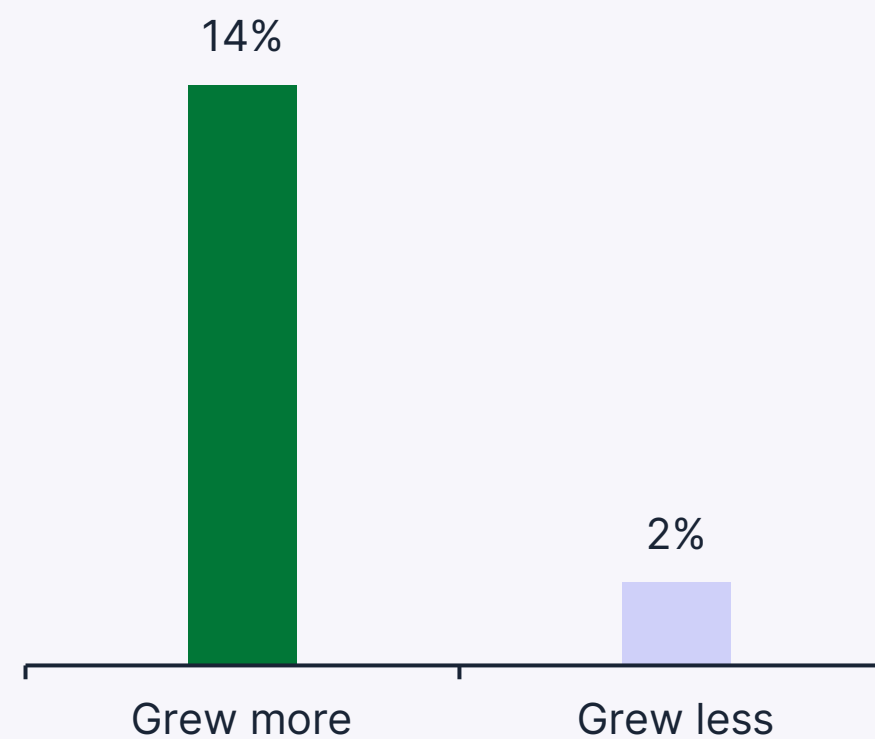


High achievers drive company success

On the flip side, growth leads to better numbers on an individual level. Company success is a story written by the hands of a strong sales force.

Companies that grew their revenue in 2022 were 12 percentage points more likely to employ a workforce that always meets their regular sales quota (compared to companies whose revenue grew less).

My company's revenue growth in 2022 compared to 2021:



I usually hit my regular sales quota

Yes No

Hopes and concerns

How a company's decisions affect employees and the role of technology

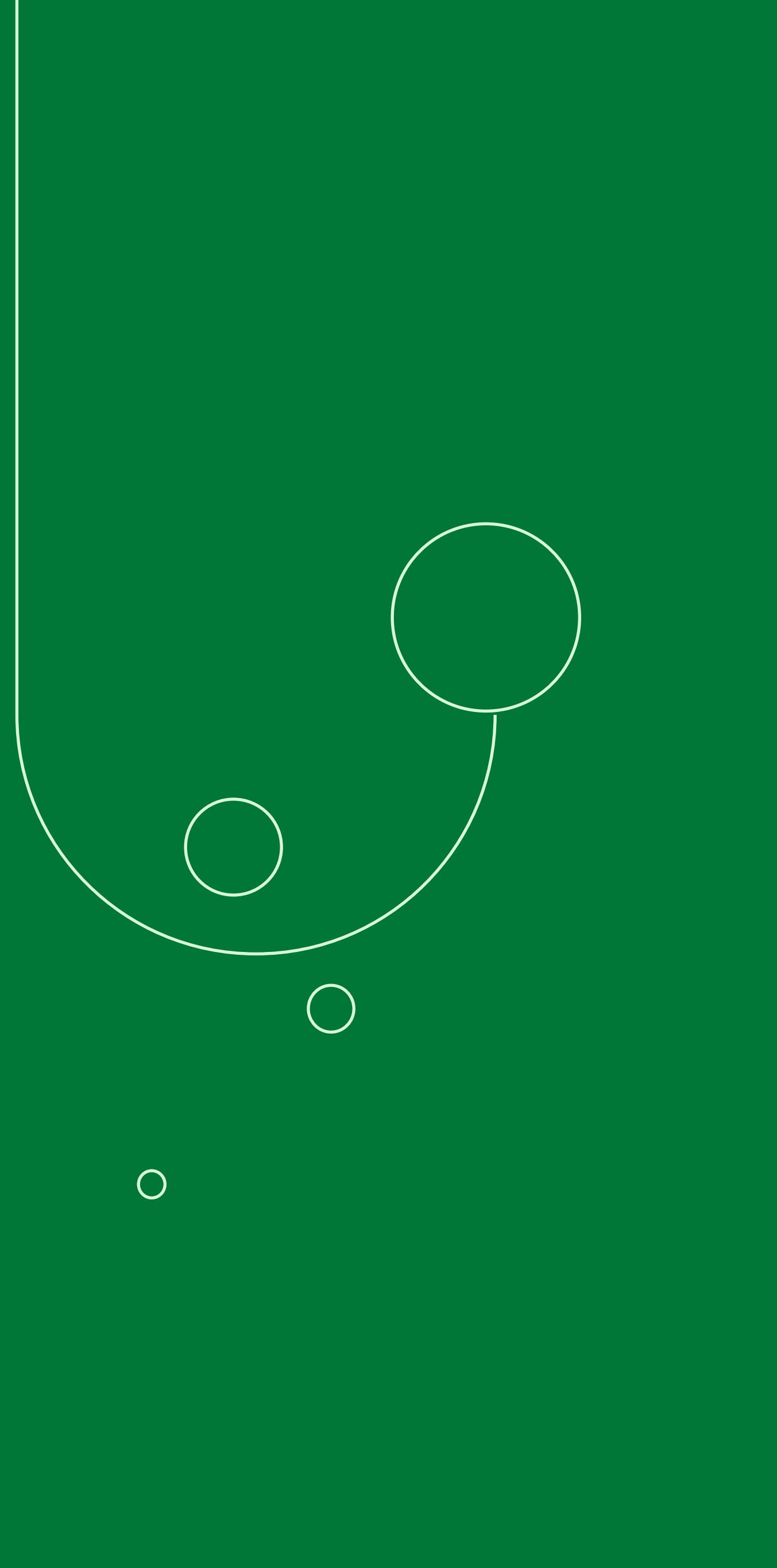
In this chapter, we start to uncover some of the key factors driving and hindering optimism among respondents.

In particular, we look at how the actions taken by companies to overcome, or in many cases harness, challenges have affected their employees.

In particular, those businesses that have reduced investment in their workforce have increased concern.

It's unsurprising that the employees of businesses that have decreased budgets and teams are more likely to be more concerned about the future.

What's more interesting is the impact that reducing spending on employee benefits has had on positivity.



What concerns business owners and employees

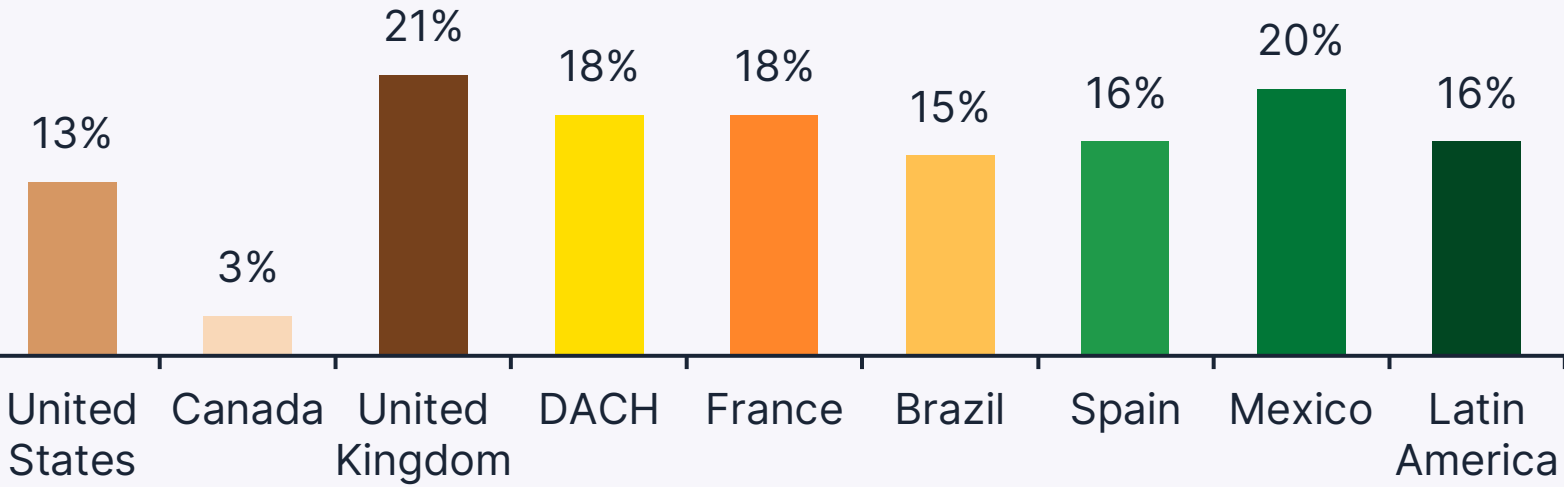
When respondents were asked about their biggest career-specific concerns for 2023 regarding the current economic climate, missing their goals (41%) was the concern of most, while another 29% were concerned by the possibility of an increased individual workload.

However, further illustrating the levels of optimism in the industry, a quarter (24%) of the respondents did not have any concerns whatsoever. When looking at the country split, it appears that those in the UK and Mexico are most concerned about career opportunities, while Canada-based respondents aren't concerned about career opportunities at all.

What are your biggest career-specific concerns for 2023 regarding the current economic climate?



My biggest career-specific concern is limited career opportunities



The hopes of business owners and employees

Over half (57%) of respondents indicated that the growth of their company was a hope they had for 2023.

Over a third (38%) hoped that their deal sizes would increase, while a similar percentage (34%) wanted market stability.

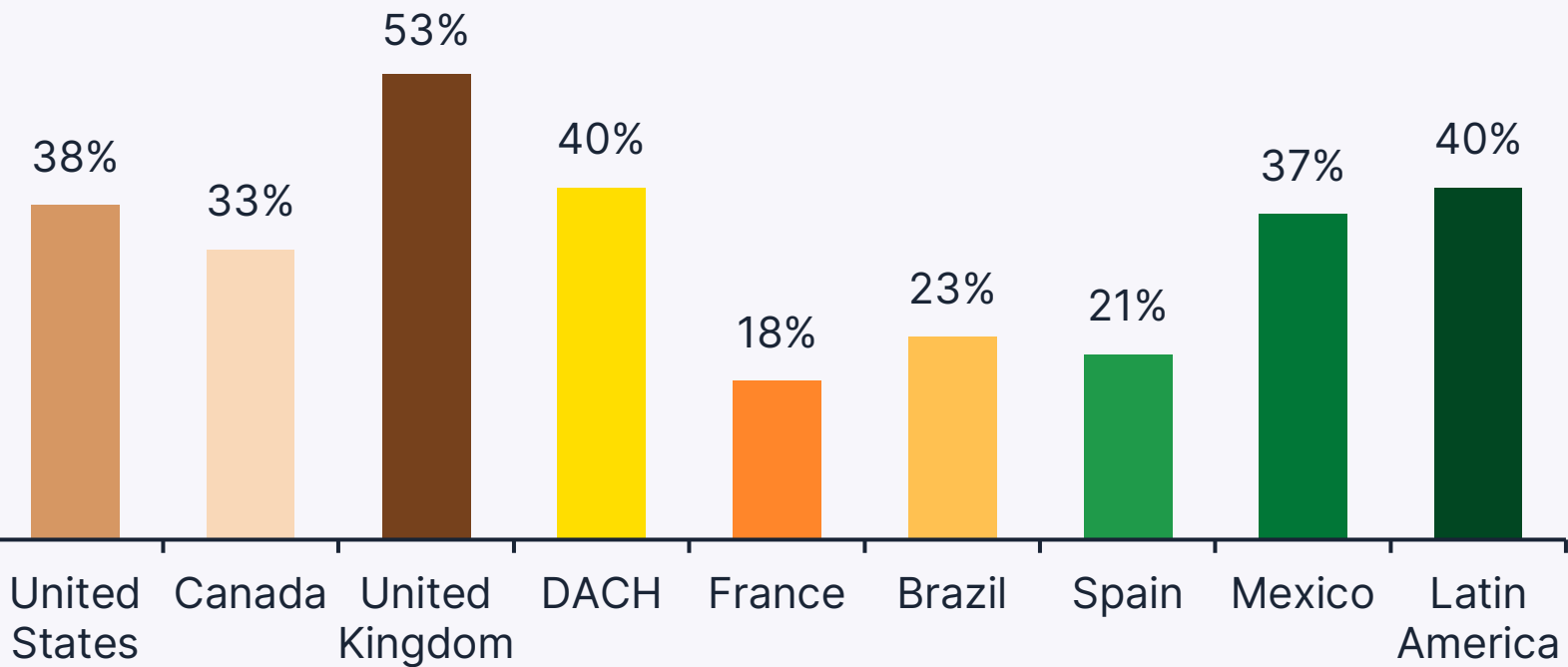
Country of residence had an interesting impact on the hopes of respondents regarding the economy and their careers.

Those in the UK, for example, were the most hopeful about market stability.

What are your hopes for the the economy and your career in 2023?



My hope for the economy and my career is the market stabilizing

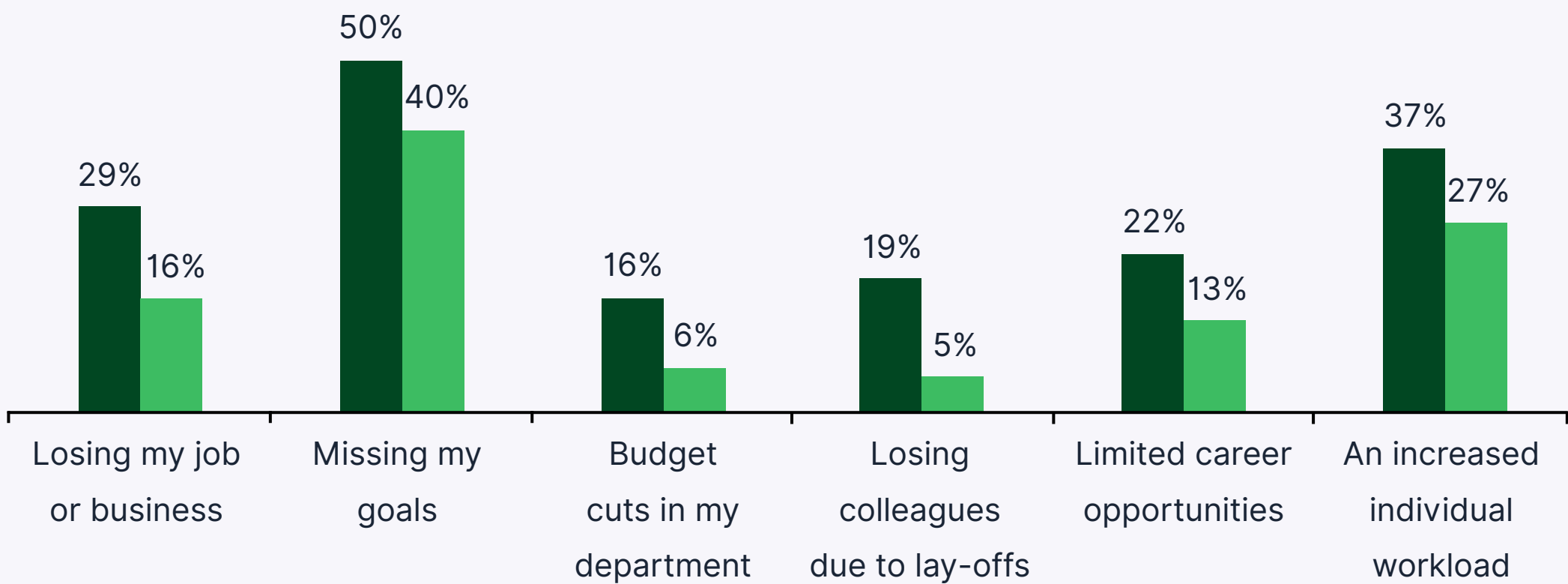


Reduced workforces have a direct impact on employee concerns

Both the concerns and hopes of respondents were affected by the measures their company implemented to handle the recession. For example, those who worked in companies that had stopped hiring new people were, on average, 11 percentage points more likely to be concerned about each of the six possibilities.

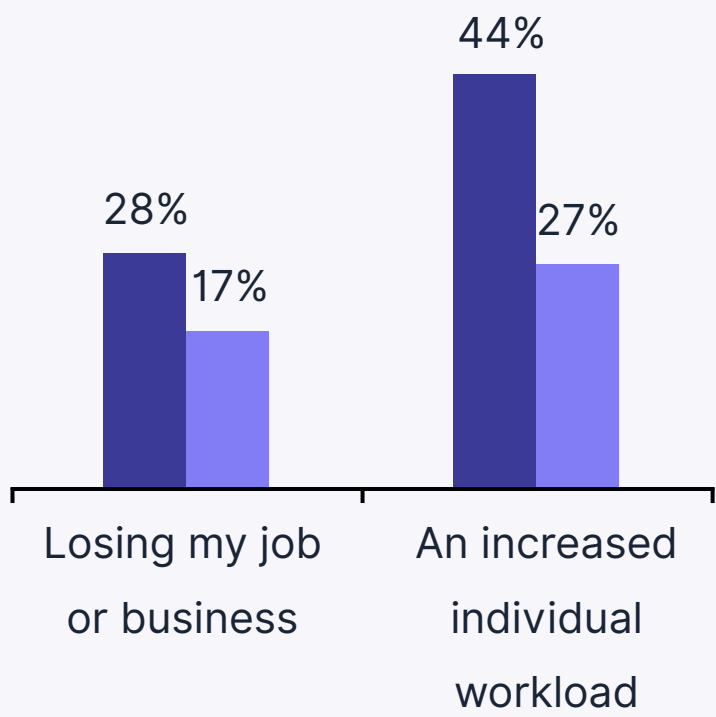
Respondents whose team size decreased were 11 percentage points more likely to worry about losing their job or business and 17 points more likely to be concerned about an increased individual workload.

My biggest career-specific concern for 2023 is:



Within the current recession, my company has stopped hiring new people

Yes No



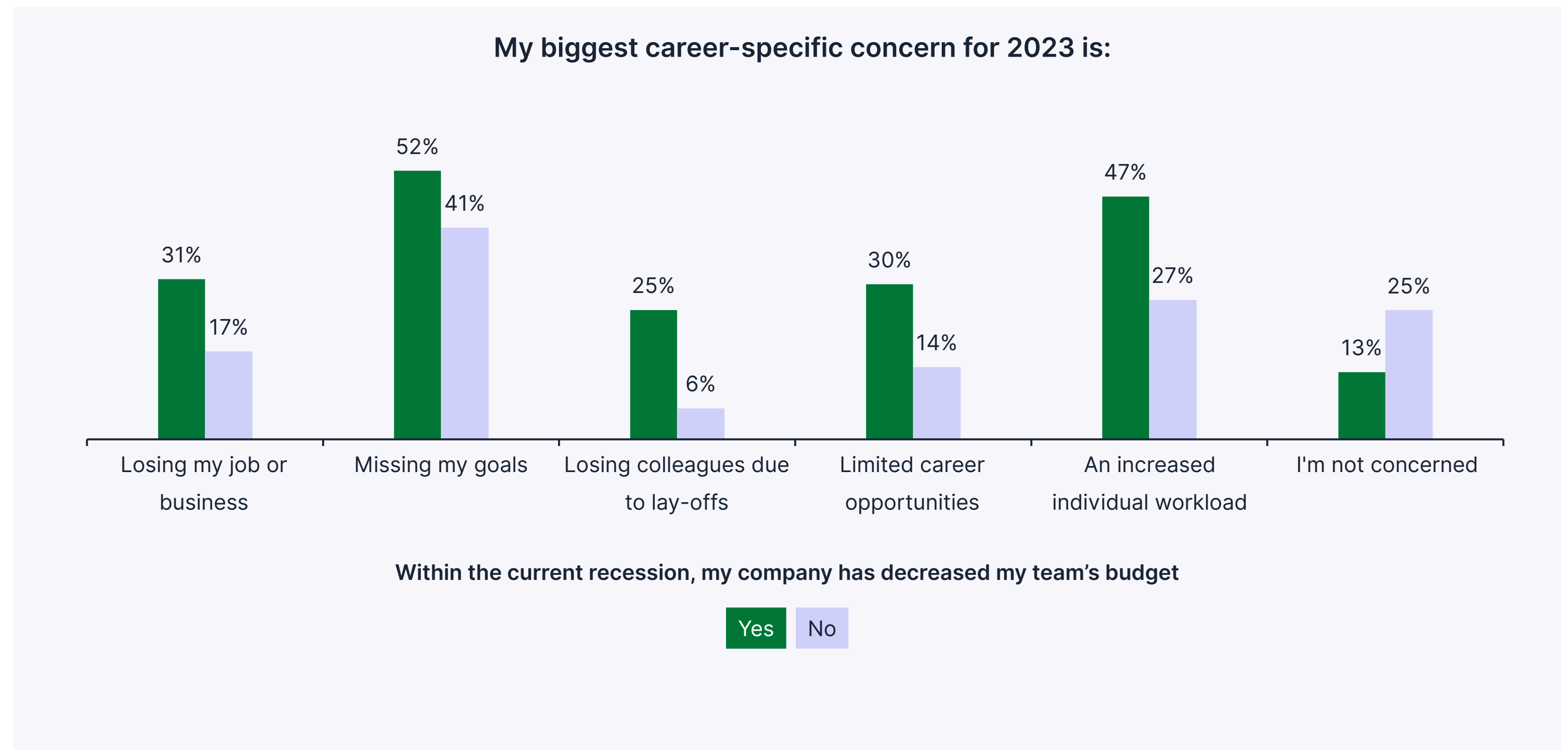
Within the current recession, my company has decreased my team's size

Yes No

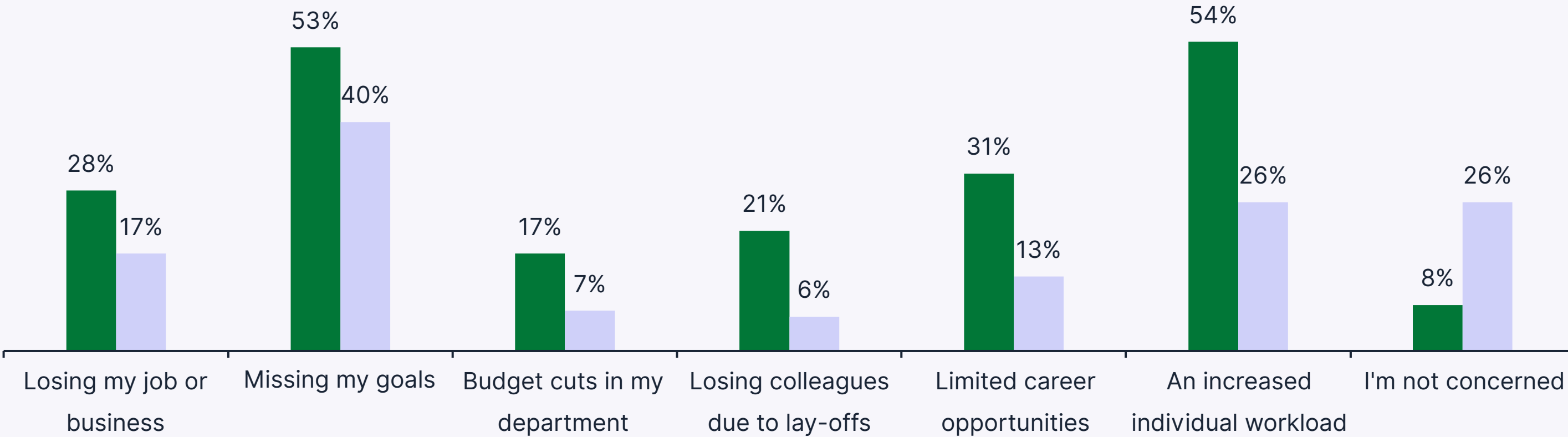
Budgets and benefits are closely linked to concerns

The same pattern was identified in companies that had decreased team budgets and also reduced spending on employee benefits. Respondents working in those companies were 12 percentage points less likely to say they were not concerned than those working in other companies.

Interestingly, respondents whose company had decreased spending on employee benefits were 28 percentage points more likely to be concerned about an increased individual workload.



My biggest career-specific concern for 2023 is:



Within the current recession, my company has decreased spending on employee benefits



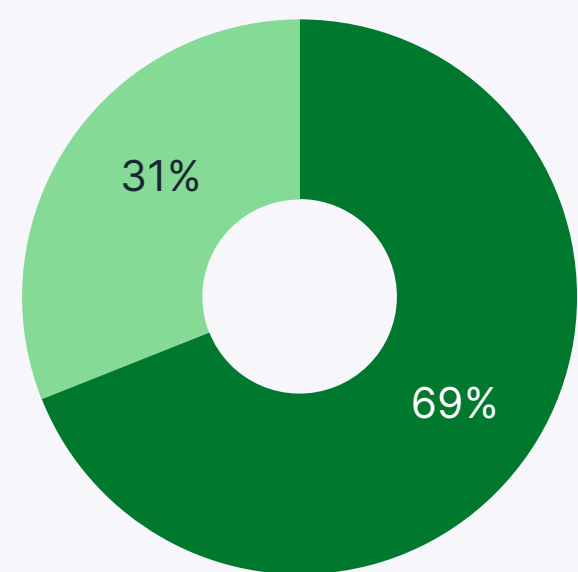
Investment in technology helps drive positivity

One way companies have encouraged positive thinking among employees, especially in terms of individual workload, is by investing in technology.

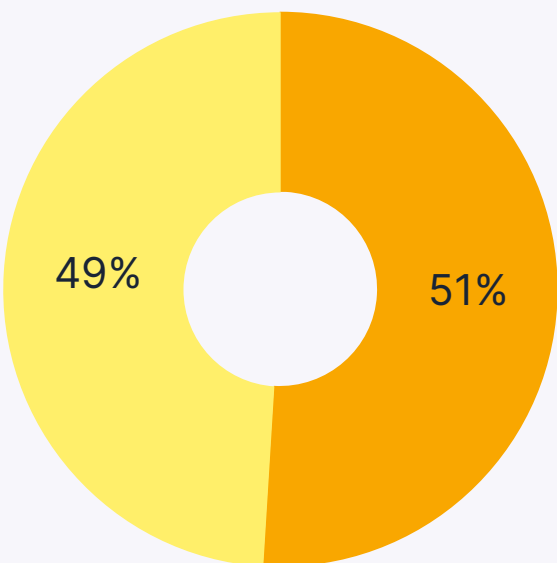
Respondents who worked in companies that invested less in technology were also twice as likely to be concerned about an increased individual workload.

Respondents working in companies that invested more in technology were 18 percentage points more likely to hope that their company grows in 2023.

My hope for the economy and my career in 2023 is company growth



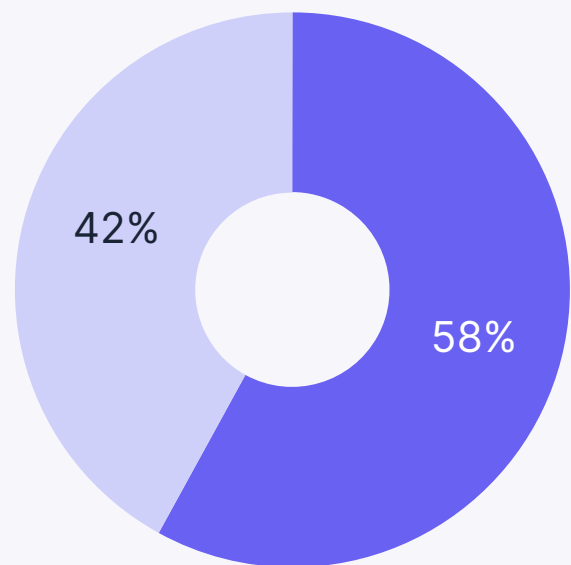
Within the current recession, my company has invested more in technology



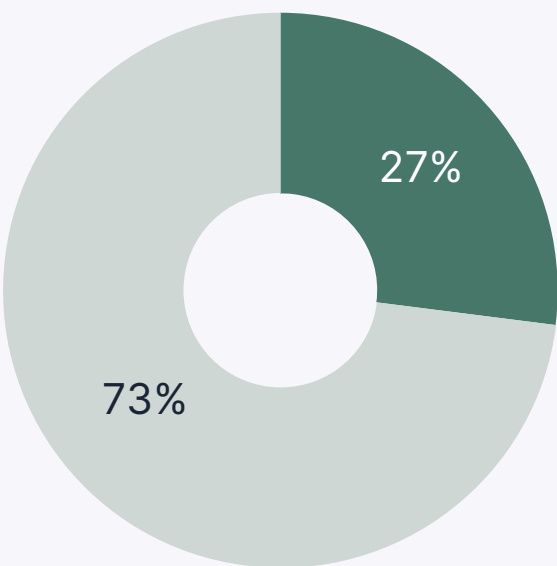
Within the current recession, my company has *not* invested more in technology



My biggest career-specific concern is an increased individual workload



Within the current recession, my company has invested less in technology than in previous years



Within the current recession, my company has *not* invested less in technology than in previous years



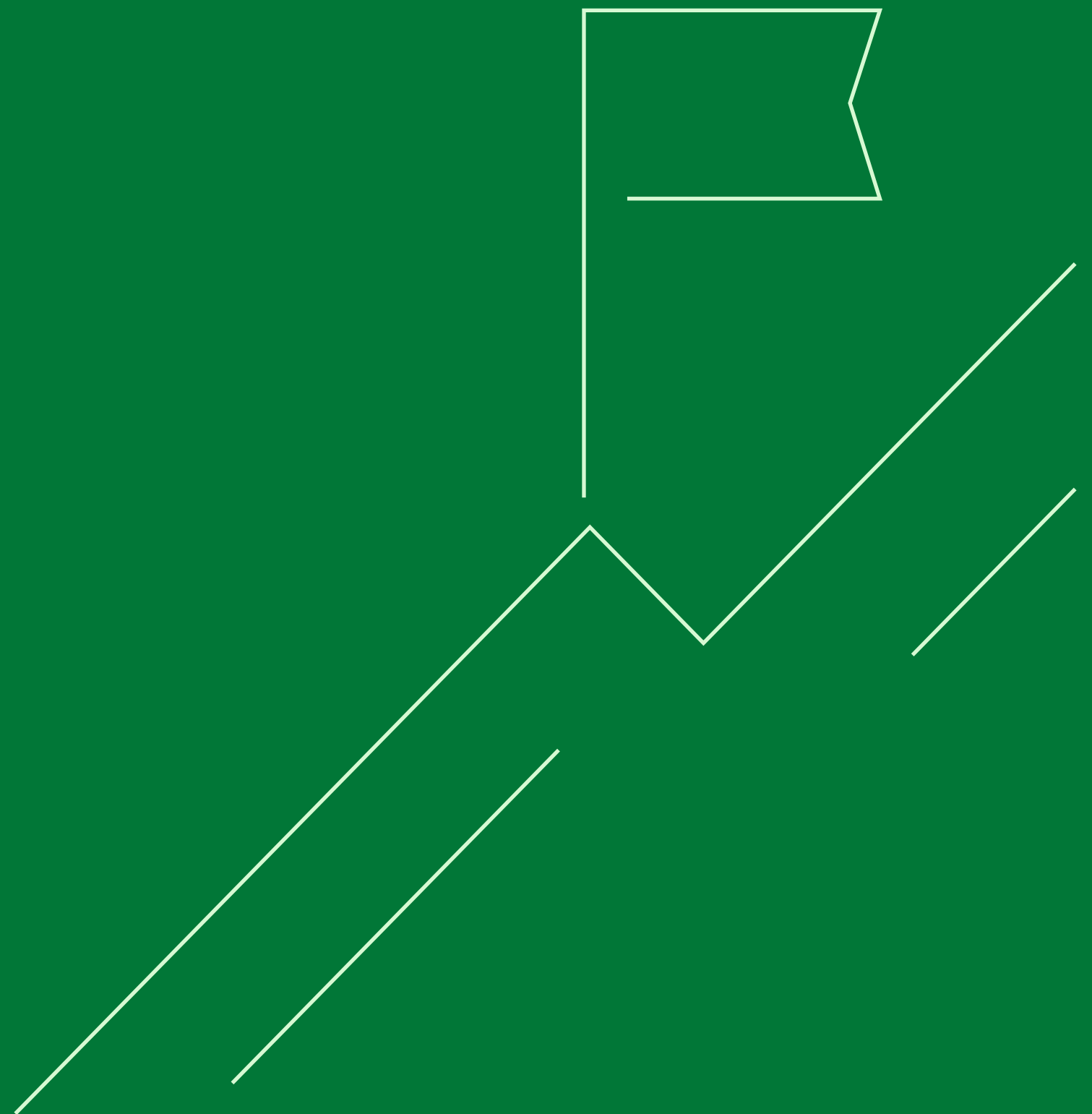
Career support

Sources of support and why connection matters

In this chapter, we explore sources of support: Who do our respondents turn to when they need help?

Many respondents had the internal drive to maintain a positive mindset, while a decent proportion turned to family and friends. Business leaders, meanwhile, built support structures from the company itself.

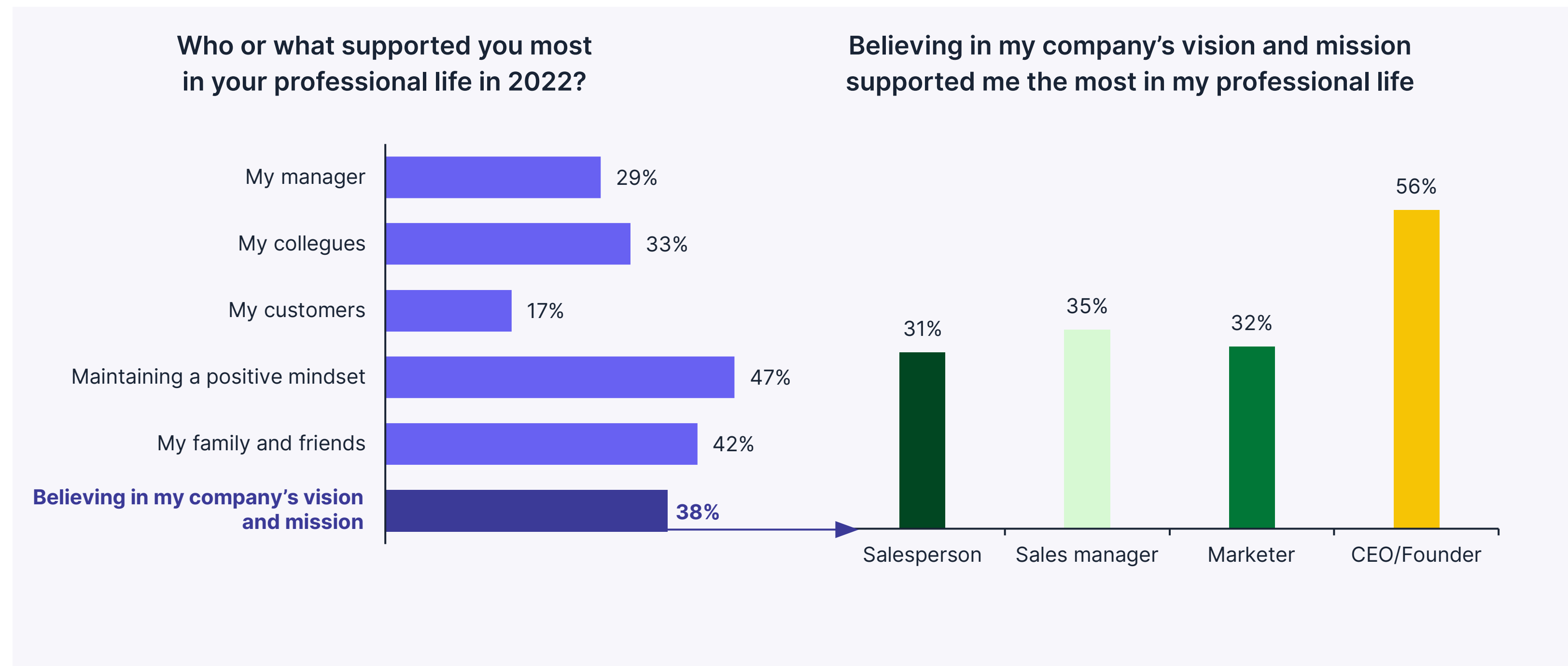
The three least common sources of support were managers, colleagues and customers. However, as we'll see, these connections can prove vital.



Where respondents look for support

Interestingly, half (47%) of respondents say that they rely most on their own positive mindset as a source of support – the most common answer by 5 percentage points.

CEOs and founders, meanwhile, find encouragement by believing in their company's vision and mission.

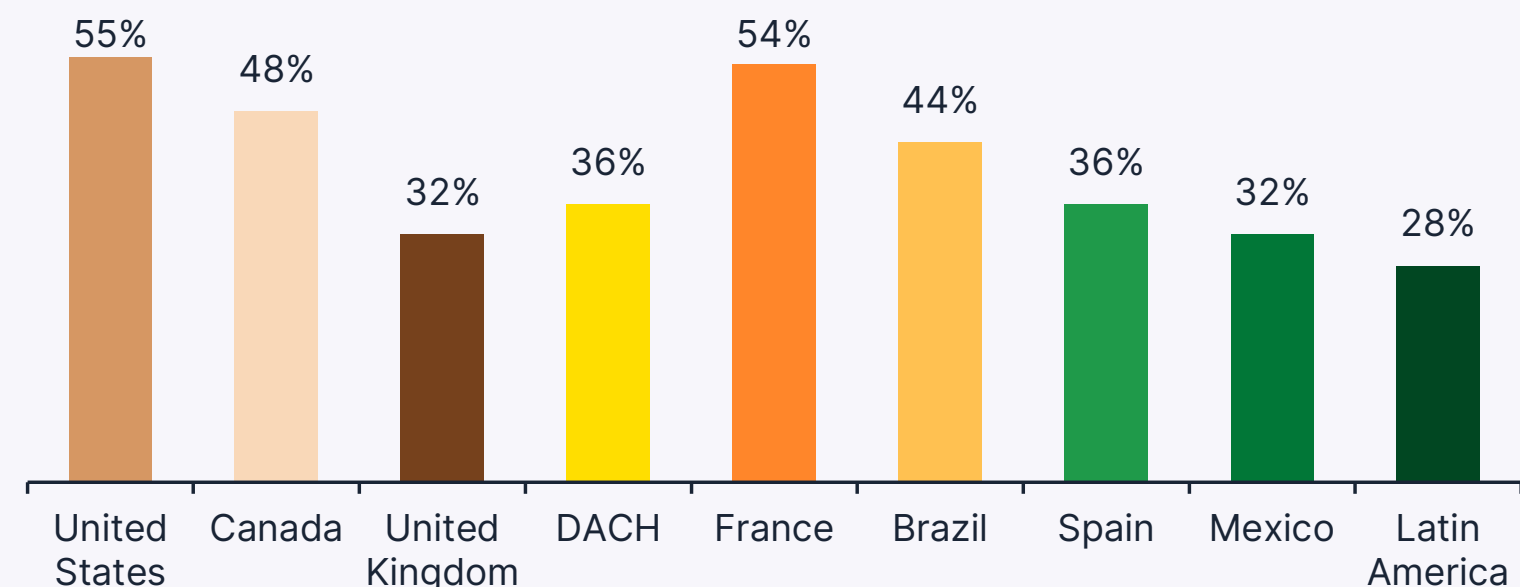


Where each country finds support

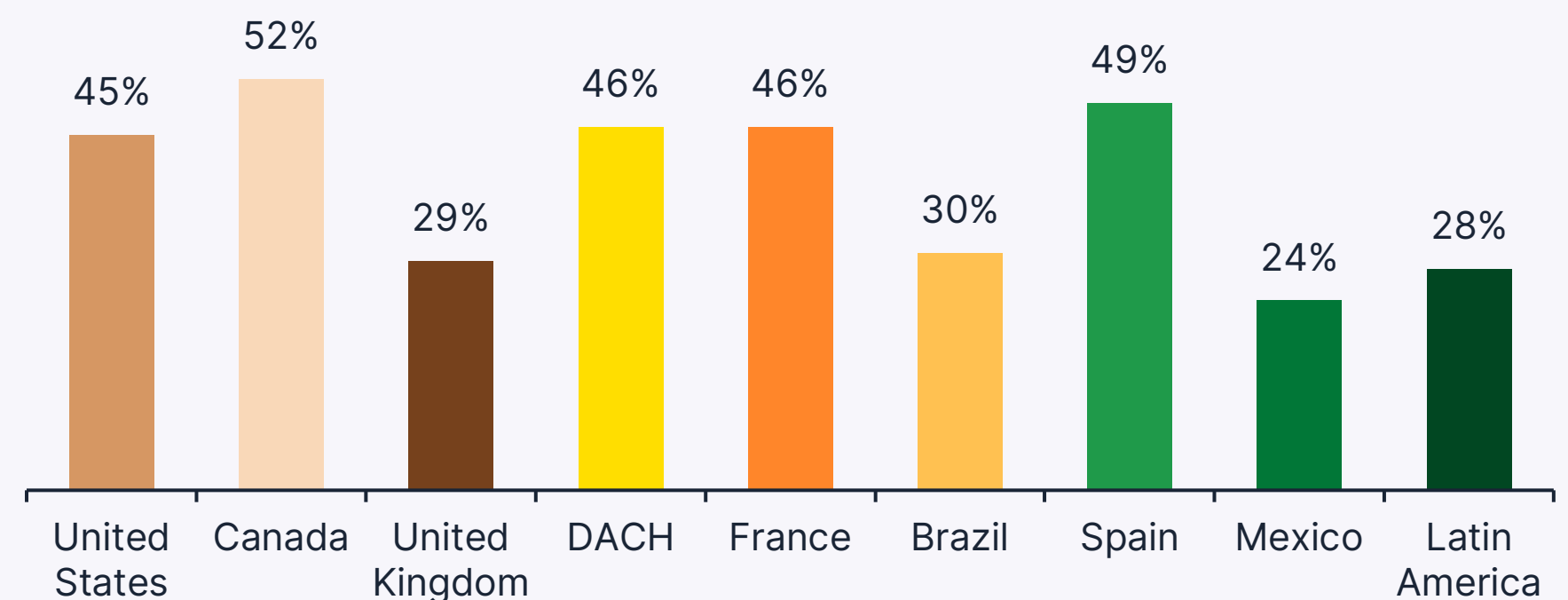
Respondents in the US and France relied most on their families for support, while respondents in Canada and Spain looked to their company's vision and mission.

Despite being two of the three least common sources of support, some countries' respondents turned to their colleagues and customers.

My family supported me the most in my professional life in 2022

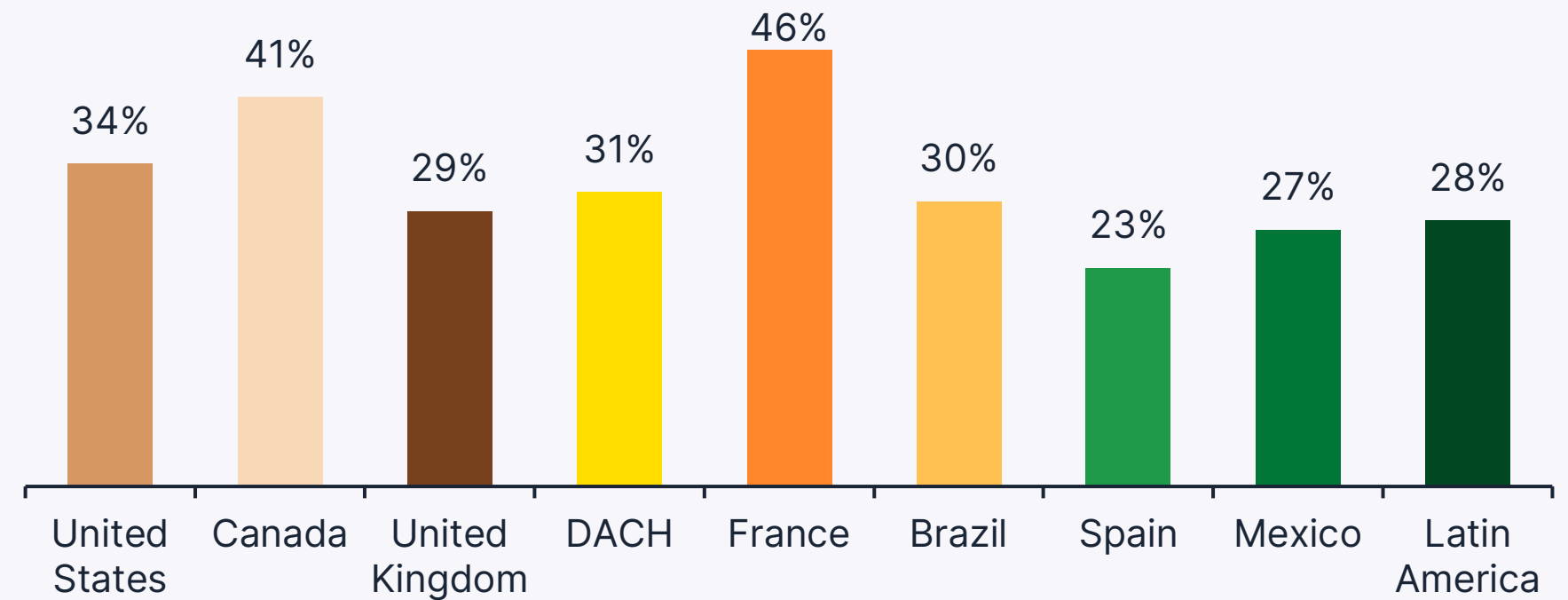


Believing in my company's vision and mission supported me the most in my professional life in 2022

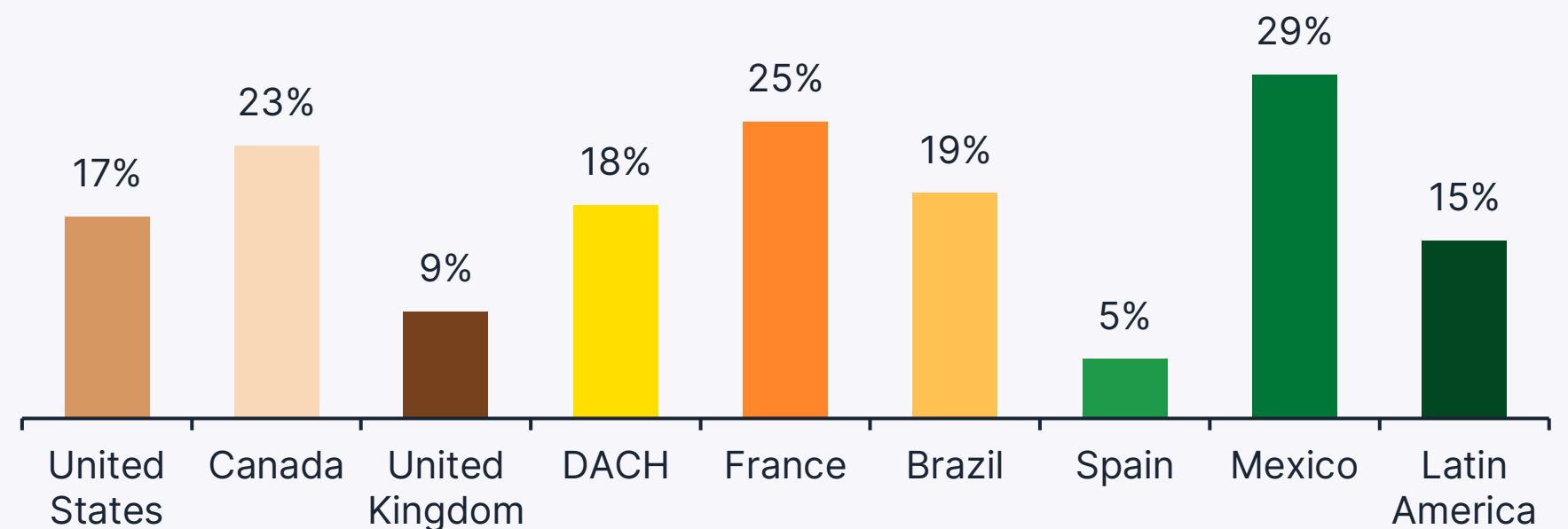


Where each country finds support

My colleagues supported me the most in my professional life in 2022



My customers supported me the most in my professional life in 2022



Support in the workplace helps drive results

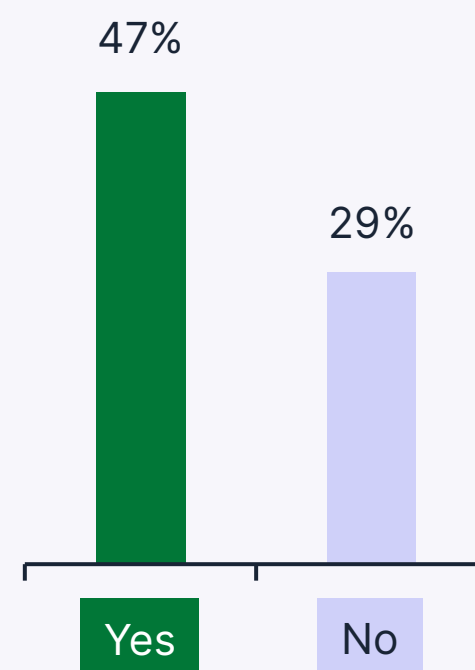
There was a clear correlation between being supported by managers and colleagues, feeling optimistic and hitting targets, which suggests that businesses that foster a culture of colleague support are more likely to reap the benefits.

Respondents who received the most support in their professional life from their manager were 18 percentage

points more likely to be very optimistic about the performance of their company.

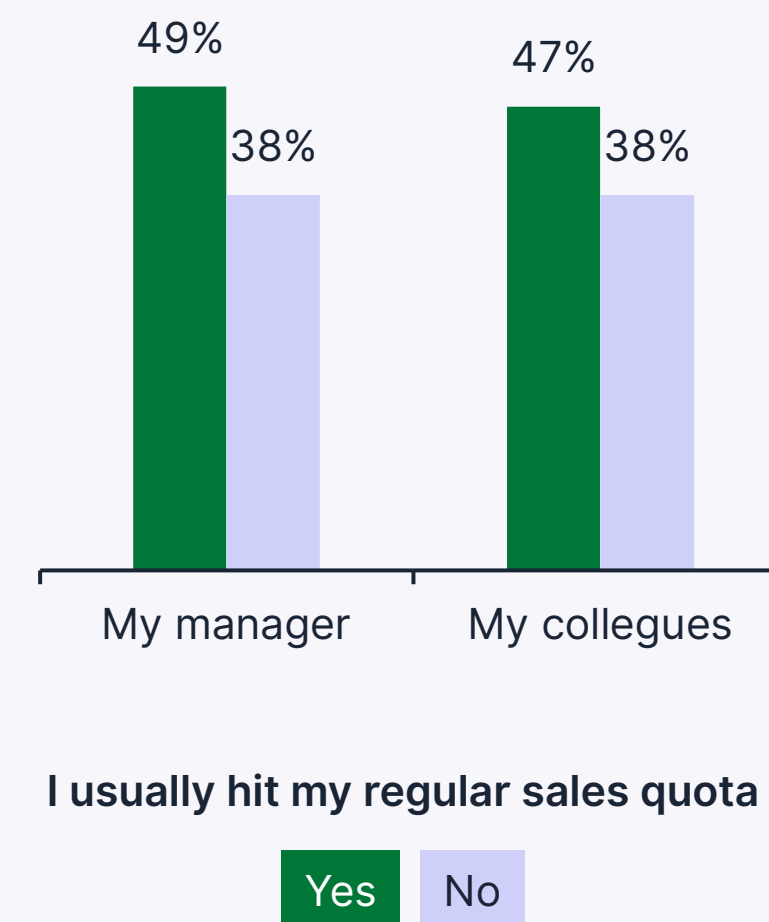
Meanwhile, respondents who were supported by their manager or colleagues were between 9 and 11 percentage points more likely to usually hit their regular sales quota.

My manager supported me the most in my professional life in 2022



I am very optimistic about my company's performance in 2023

Who supported you the most in your professional life in 2022?



I usually hit my regular sales quota

Conclusion

It's evident that the past few years have been challenging for businesses. An intricate web of factors have influenced the overall economic landscape, transforming the way businesses operate. Last year was no exception.

However, the majority of companies in the sales industry managed to grow in 2022, despite the ongoing challenges. It's testament to the resilience and drive of sales and marketing professionals, entrepreneurs and business owners that they were able to convert these challenges into opportunities.

Pipedrive's *The state of sales and marketing: The economy review 2022/23* sheds light on the emerging trends that are shaping the future of sales and marketing. Even though smaller companies are clearly more affected by economic changes, people remain optimistic. Also, according to the report, the right leadership, investment in technology and innovation are crucial factors in a business's sustained growth and competitiveness.

Small companies play a vital role in the global economy. By creating jobs and positively impacting local communities, they are the backbone of sustainable growth. Pipedrive is committed to building easy-to-use and accessible solutions that help small businesses stay competitive. Even though there are more challenges in the future, we are confident that the industry is ready for the next challenge – and will likely come out of it stronger than before.

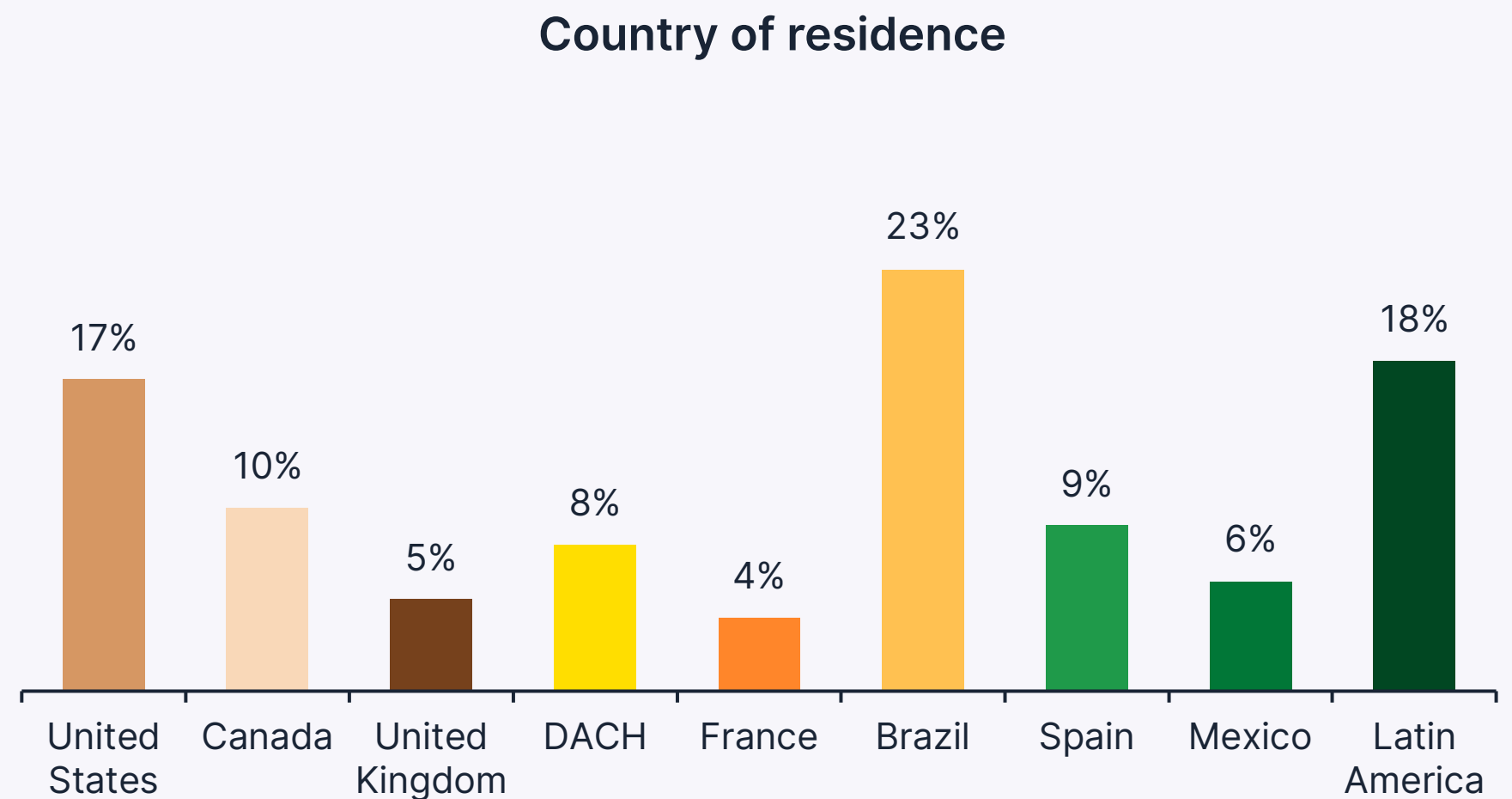
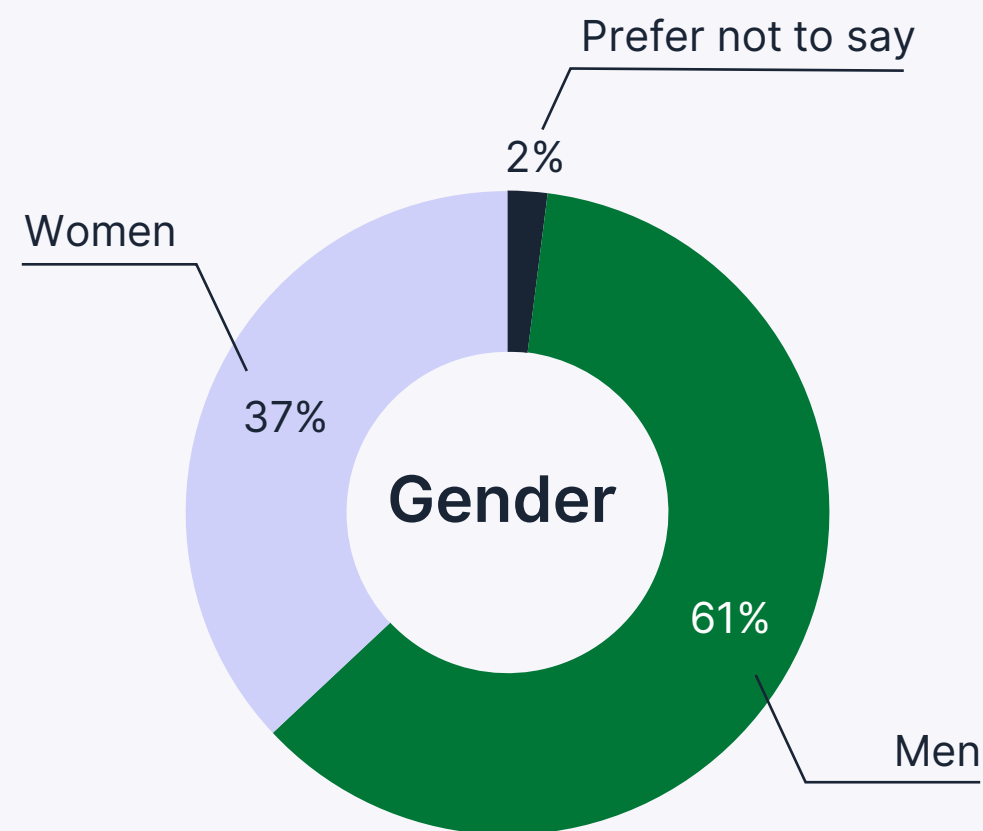
Dominic Allon
CEO, Pipedrive



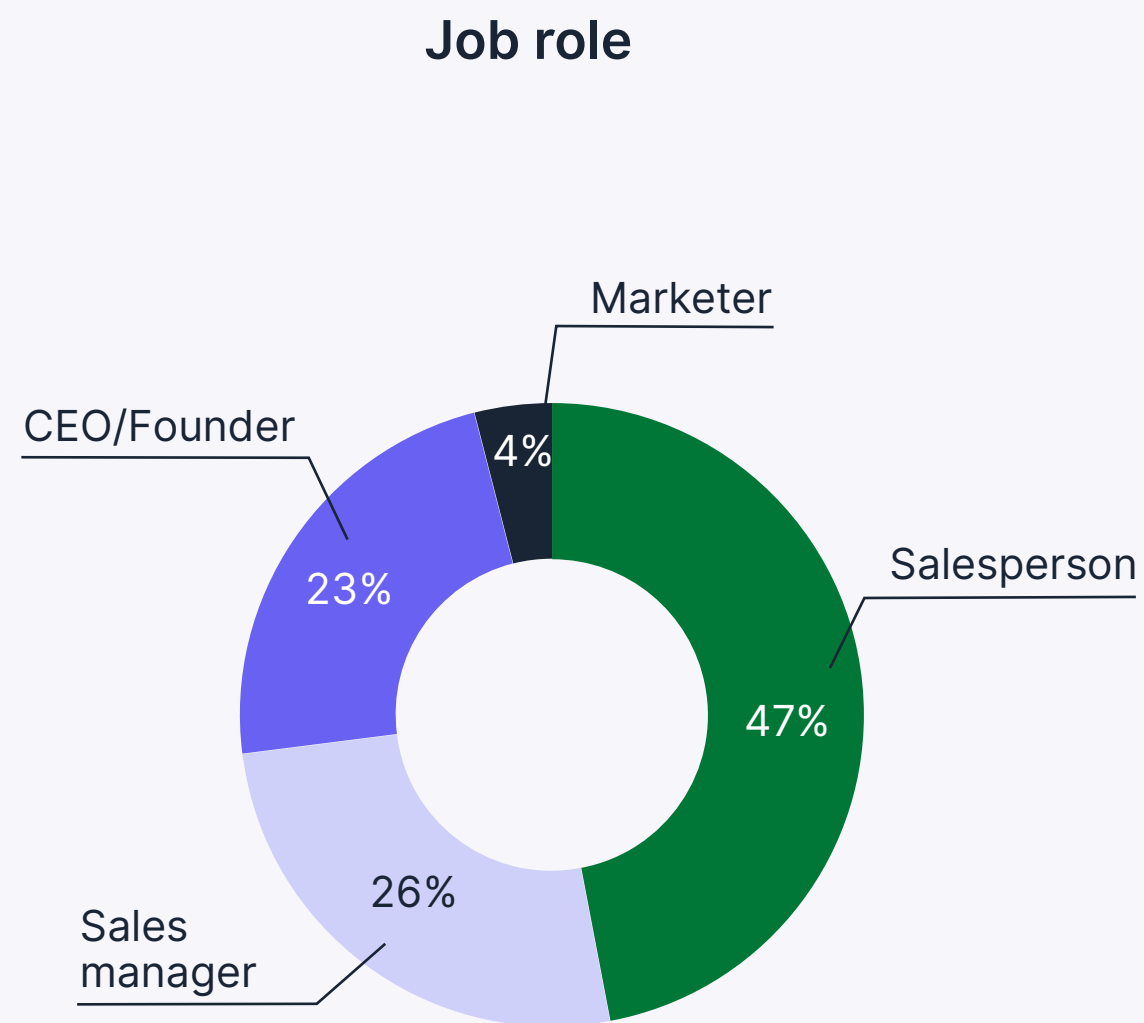
Survey respondent demographics

We surveyed 983 respondents for *The state of sales and marketing: The economy review*. Although the majority of our respondents were in Europe and the Americas, we also surveyed people in Africa, Asia and Oceania.

We gathered the views of sales professionals, business owners and marketers at companies of all sizes.



Survey respondent demographics



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