

What Is Inside Sales? The Definition Of Inside Sales



Ken Krogue Contributor

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Note: I have been asked dozens of times to update the top article on my blog, www.KenKrogue.com, the ranking blog in the world on the industry of inside sales. This is the article that firmly set in place the definition of what is now the fastest growing industry in all of sales and marketing. I would appreciate your feedback and comments to these updates. -Ken

The most pragmatic definition of Inside Sales is simple: **inside sales is remote sales.**

It has been called virtual sales, professional sales done remotely, or one of my recent favorites "sales in the cloud." Where outside sales or traditional field sales is done face-to-face.

Taken in this context, the majority of *all* sales is done remotely, and the numbers are growing. The most recent **Lead Management study** found that over the past three years, **inside sales grew at a fifteen times higher rate (7.5% versus .5% annually) over outside sales**, to the tune of **800,000 new jobs.**

More evidence: if you don't believe it, grab a list of 10 traditional or "outside sales" people and call them. **6 out of 10 will be sitting in front of their computer, working in their cubicle, office, or home office—just like the inside sales people.** They may not answer as fast as inside sales reps would, but leave a message and they will call you back. Outside sales is converging into inside

sales, or as my friend Bob Perkins, the CEO and Founder of [The American Association of Inside Sales Professionals](#) said, "Inside sales is just... sales."

The term "inside sales" originally came about in the late 1980s as an attempt to differentiate "telemarketing" (or "telesales" in the UK) from the [more complex, "high-touch," phone-based business-to-business \(B2B\)](#) and business-to-consumer (B2C) selling practices.

Telemarketing is often believed to have begun in the 1950s by DialAmerica Marketing, Inc., reported to be the first company dedicated to telephone sales and services. By the 1970s telemarketing was a common phrase used to describe the process of selling over the telephone. It often included both outbound and inbound, but later became much more synonymous with the types of outbound calling we're all familiar with—large-scale "blasts" to lists of names to try and drum up quick sales, usually while the family is sitting around the dinner table.

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By the late 1990s/early 2000s, inside sales was the term used to differentiate the practice from outside sales—the traditional face-to-face sales model where salespeople went to the client's location of business to engage in the sales process.

In 2004, when Dave Elkington and I founded InsideSales.com, we searched the keyword "inside sales" on [Google](#) [GOOG -0.56%](#) and there was nobody else there. However, there were tens of thousands of companies that came up trying to hire inside sales reps. [What was a second class department is now the fastest growing segment of sales and lead generation.](#) With the American Association of Inside Sales Professionals ([AA-ISP](#)), a viable [inside sales industry association](#) in place for five years, inside sales is an industry rapidly maturing.

Companies found the new channel of inside sales to be undeniably effective, but often didn't know what to do to solve the conflict between the younger, disruptive, more technically savvy upstarts who sold over the phone, and their more senior counterparts who wielded incredible political power in their organizations as the entrenched source of revenue for nearly a century.

For years, inside sales has been [relegated to generating leads](#) for the more senior outside sales reps or merely closing the smaller accounts. This is now no longer the case. Many companies are already using a [hybrid form of inside sales, with reps calling from their company's home office, then traveling occasionally to client locations and merely calling it "sales."](#) Research shows that four years ago, outside sales reps spent 41 percent of their day selling remotely. Two years ago it rose to 46 percent. It is now crossing 50 percent.

By [Marc Benioff's](#) own admission in his book *Behind the Cloud*, [salesforce.com](#) "grew their company for the first five or six years [with a telesales \[or inside sales\] model.](#)" They added outside sales or field sales to go upmarket when they wanted to sell to [Enterprise-class](#) companies, but the company [still does a majority of their innovative sales work remotely.](#) We know because we hired Dave Orrico, the Executive Vice President who started the enterprise division of [salesforce.com](#), to join us at InsideSales.com.

True door-to-door field sales is almost extinct, and has of necessity become a hybrid by our definition.

What technology can be credited for creating inside sales?

The phone?

No.

It was Webex and GoToMeeting by Citrix.

It was web conferencing, or the ability to demonstrate products remotely that put inside sales on the map.

The phone created telemarketing which was a precursor to inside sales. But the greatest increases in productivity have come with internet technology, hosted CRM, social media, immediate response, local presence, and telephony tools integrated together.

We call these "power tools" for sales people.

Would you try to build a house with a hammer when you have a nail gun?



Marc Benioff started salesforce.com using Inside Sales during the First 6 Years - (AP Photo/Ben Margot, File)

Another way of defining inside sales is to also state what it is not.

Inside sales is not telemarketing.

Let me repeat: *inside sales is NOT telemarketing.*

Telemarketing is a scripted, single-call-close, almost always targeting a small-ticket, business to consumer (B2C) model.

Inside sales is not scripted. It requires multiple calls or "touches" to create a sales close, involves medium or large ticket goods and services, and targets business-to-business (B2B) or high-end business-to-consumer (B2C) transactions.

Inside sales is *professional sales done remotely or virtually*. It is not the mindless "phone drone" that calls at dinner time and won't hang up until you have said "no" seven times. Telemarketing uses dated predictive dialing technology which helped drive such a negative mindset in consumers that laws were passed regulating their use. Inside sales uses power dialing technology that moves the more sophisticated "predictive 2.0" technology into the data using predictive analytics, big data, and machine learning to improve on the older technology by removing the stigma of abandoned calls of the overused technology.

To true *inside sales professionals*, the "tele" of telemarketing is a four letter word.

Inside sales is also not customer service. Though inside sales frequently involves an element of inbound call handling like a customer service department, *in its pure form it is not customer service*.

Some companies erroneously describe their inbound call centers as "inside sales," but this does not fall within the boundaries of our definition unless the agents' primary function is selling.

Inside sales is professional sales done remotely. . . it is remote sales.

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