

## **Making Sales Technology Effective**

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### **Executive Summary**

Over the past decade, firms that serve business markets have invested billions of dollars in sales force technologies, including systems for sales force automation and customer relationship management, in attempts to improve sales force performance. The traditional focus of these sales technologies is on improving salesperson efficiency, both to cut personal selling costs and to free salesperson time for more productive customer contact. However, the return on these investments has often been disappointing, and published research has provided little guidance to sales, marketing, and information technology executives who must make decisions in this arena.

The current article addresses this need. It provides an innovative way to think about and evaluate investments in sales technologies and reports the results of a field study (conducted with the cooperation of the sales force of a large consumer packaged goods firm) to evaluate the authors' ideas. The premise of the article is that sales technology is most effective in helping salespeople build profitable relationships with customers when it facilitates or enables relationship-forging tasks. This study evaluates two relationship-forging tasks: sharing market knowledge and developing integrative (as opposed to distributive or win-lose) solutions to problems. For example, this suggests that a sales representative who can develop integrative proposals (that are profitable for both the seller and the customer) will be more effective in forging relationships with customers.

However, different uses of information technology in sales settings—to access, analyze, or communicate information—have differential effects on relationship-forging tasks and, thus, on sales performance. For example, uses of sales technologies for accessing information have little impact on relationship-forging tasks and no direct impact on relationship-building performance, but they directly improve administrative performance. Conversely, sales technologies used for communicating and analyzing information have a direct, positive effect on relationship-forging tasks, but it is only through this effect (and not directly) that they influence relationship performance.

In general, evidence from the field study confirms this theorization, but it also reveals an important time trade-off: The use of sales technology for analysis and better understanding improves relationship-forging tasks and, thus, performance in that area, but it simultaneously has a direct, negative effect on internal administrative performance. This unexpected result may help explain why many sales technology implementations have been ineffective. Firms that overload sales representatives with administrative responsibilities, even if sales technologies are supposed to help them handle these tasks efficiently, will unintentionally steal time from analysis that is critical in relationship-forging tasks, thus diminishing the relationship-building performance that is critical to revenue and profits.