

SALES TECHNOLOGY, SELLING SMART, AND SALES PERFORMANCE IN BUSINESS MARKETS

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ABSTRACT

Rapid advances in information technology are having a profound impact on the activities and performance of the modern sales organization. Sales reps rely daily on an array of software and hardware that were hardly imagined even a decade ago. For example, a typical customer business development rep in the consumer packaged goods industry uses software for spreadsheet analysis, electronic presentations, time management, sales forecasting, customer contact and shelf-space management. New, but now commonplace, hardware includes everything from cellular phones, fax machines, laptop computers, and pagers to intranets and personalized videoconferencing systems. In many situations these technologies are dramatically changing the face of personal selling.

Despite the growing importance of information technology in many selling situations, there is little published research that directly evaluates the impact of such technology on salesperson activities and performance. Past research that is most relevant falls in one of two streams: (1) firm-level consequences of investment in technology and (2) sales organization-level prescriptions focused on innovative opportunities to use new technologies.

By contrast, this research focuses on the impact of sales technology usage on the activities and performance of the individual salesperson. First, we conceptualize a simple normative model—a selling-smart-with-technology model. Figure 1 overviews the model. The model posits direct and indirect effects of sales technology usage on sales planning, adaptive selling, and on three specific aspects of sales performance: sales relationship effectiveness, market expertise, and administrative efficiency. By evaluating these aspects of performance individually, we can gain insights about the specific mechanisms by which sales technology usage, selling smart behaviors, and combinations of them affect performance outcomes. We use a cross-sectional research design to test the model. We conclude with a discussion of the results, including implications for managers and scholars.

The practical rationale for sales-force automation is that some sales tasks can be done more quickly, cheaply,

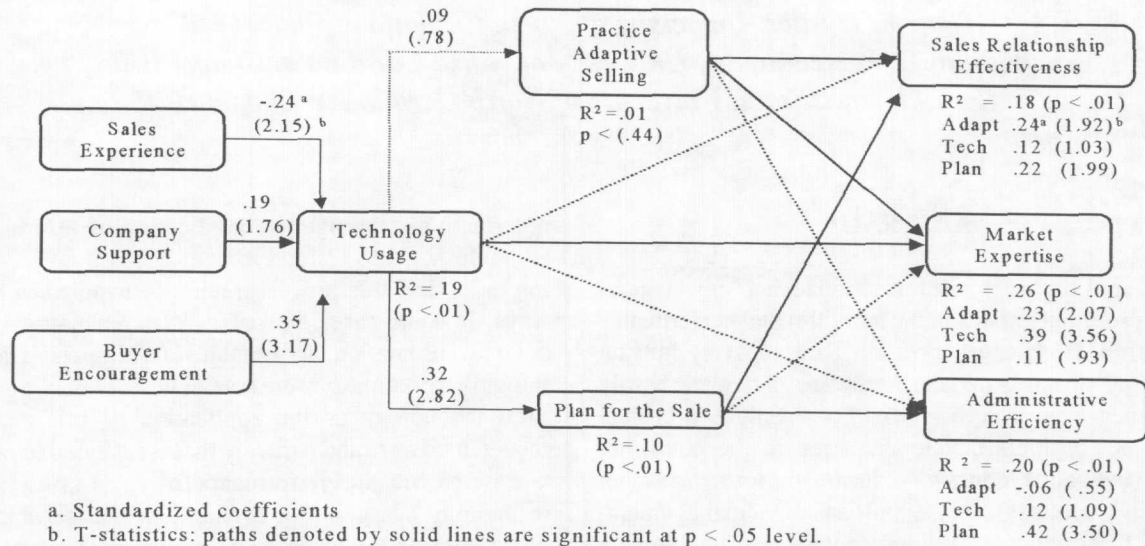
or effectively through the application of information technology. Automation typically focuses on facilitating tasks that salespeople previously handled in other ways. In some cases, however, sales technology goes beyond automation and enables a salesperson to do things that previously were not possible. Thus, we define sales technology as the application of information-related hardware and software that is intended to facilitate or enable the performance of sales tasks. Sales technology usage is the extent to which salespeople blend information technology into their sales jobs.

The proposed model specifies buyer encouragement, company support, and experience as antecedents of sales technology usage. Sales technology usage in turn affects various aspects of salesperson performance, both directly and also indirectly by helping salespeople to employ “smart selling” behaviors. The smart-selling literature says that effective salespeople should tailor their behaviors to specific buyer interactions (Spiro, Perreault, and Reynolds 1977; Spiro and Weitz 1990; Sujan 1986; Weitz 1978; Weitz, Sujan, and Sujan 1986) and plan for those interactions (Gwin and Perreault 1981; Sujan, Weitz, and Kumar 1994; Sujan, Weitz, and Sujan 1990). Thus, we focus here on selling smart as the extent to which salespeople (1) engage in planning to determine the suitability of sales behaviors and activities and (2) adapt their behaviors and activities based upon situational considerations.

We refined a preliminary questionnaire based on in-depth interviews with sales executives representing four different industries and a pretest for clarity and completeness with the help of sales managers within a host firm. In the host firm, a well known consumer packaged goods firm, we surveyed the firm’s U.S. sales force. Of 85 questionnaires distributed, 79 (93%) were returned, but we dropped six because of missing data. We primarily used (or adapted) scales developed in previous research, but the sales technology usage measure is new. We test the hypothesized relationships using ordinary least-squares path analysis. In addition, we computed a correlation between each construct and sales rep ratings for extent of reliance on each of a number of specific sales technologies.

Figure 1 summarizes the path analysis results. Hypothesized relationships that are statistically significant

FIGURE 1
Influence of Sales Technology Usage on Aspects of Sales Performance



are shown as solid lines; paths that are not statistically significant appear as dotted lines. The findings support the idea that sales technology usage improves sales performance, both directly and indirectly by enhancing selling smart. Sales technology usage directly affects market expertise. Moreover, sales technology usage explains 10 percent of the variance in planning for the sales interaction, which in turn has positive effects on the two aspects of performance that sales technology usage did not affect directly. Thus, technology usage indirectly affects the other two aspects of performance—sales relationship effectiveness and administrative efficiency. However, in this sales organization sales technology usage is not related to adaptive selling.

This study provides a simple, but easy to generalize, framework for diagnostic modeling of the technology-to-performance relationship and how it works through behavioral mechanisms. In the future, it should be expanded to consider other tasks through which sales technology usage may affect performance. For example, research should address the role of sales technology the relationship-building context. Furthermore, a better understanding of some of the new tasks enabled by technology within a relational context would enrich our understanding of the technology-to-performance relationship.

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