

Salespeople as information gatherers: Associated success factors

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Abstract

Salespeople are in a vantage position to have intimate knowledge of the customers. How to motivate them to be effective information retrievers becomes a challenge to sales managers in today's knowledge economy. This paper presents the results of a study into managerial factors that are associated with more effective information retrieval by sales forces for use in their CRM systems. Sales executives ($n=150$) responded to a mailed survey describing the importance of a set of activities to their recruiting/selecting, training, supervisory processes and the climate in the organization generated by upper level management. Results show that supervision and upper management support associate significantly with the effective information retrieval of salespeople; while training those more technically savvy sales recruits results in more effective information retrieval.

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1. Introduction

As demographic and technological factors converge in today's knowledge economy, Sheth, Sisodia, and Sharma (2000) advocate customer-centric marketing (CCM) that accesses individual customer's needs and determines whether to serve or how to serve such a customer. Customer relationship management (CRM), on the other hand, addresses specifically customer relationship building and retention, which have a much greater and more direct impact on corporate sales and profitability (Davis & Joyner, 1999). CRM is the process by which companies maximize what they know about their customers through a progressive approach to gathering customer data with advanced database and decision-support technologies that help transform that data into business

knowledge (SAS, 2000). As such, the quality of data is crucial for the success of a CRM system in a company.

The customer contact accessibility of salespeople facilitates their role in data collection (Evans & Schlacter, 1985; Festervand, Grove, & Reidenbach, 1988). The input of salespeople has been found to be very important to the making of information source and promotion, capacity, or distribution decisions (Cross, Hartley, Rudelius, & Vassey, 2001). Salespeople are front line personnel; they are in a vantage position to feel the pulse of the market. Despite the obvious advantage, historically salespeople have been underutilized as information gatherers (Cross et al., 2001; Tanner & Shipp, 2005).

Recent studies (Desouza, 2003; Ramaswami, Srinivasan, & Gorton, 1997; Ruggles, 1998) indicate that the struggle that executives have in the knowledge economy is one of finding ways to motivate employees to share knowledge and insights with their peers. This attitude may extend to the task of retrieving information for their company's CRM systems. To date, no known studies have probed into the underlying issues associated with salespeople's role in retrieving information for these systems.

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The purpose of this paper is to determine whether there are factors under control of management that are associated with better information retrieval by salespeople. We pose the following research question:

Are there factors within the control of management that distinguish sales forces that are effective in information gathering activities from those that are not?

We examine the research question in four primary areas:

- * Criteria used for selecting salespeople.
- * Training of salespeople.
- * Supervision and motivation of salespeople.
- * Perceived support of upper level management.

Attention to these primary areas suggests that there are managerial tasks associated with the implementation of appropriate selection criteria and training as well as with the direct supervision of salespeople. The organizational climate established by upper level management may also have a bearing on the degree to which salespeople will be motivated to cooperate in the information retrieval process.

2. Predictors of effective information retrieval

Before considering the potential actions management can take to facilitate the information retrieval task by the salespeople, it is important to delineate their internal thinking process when retrieving information. Salespeople must understand the type of information that is needed and the way it will be used by management in order to identify appropriate information. They must also possess the communication skills that are required for probing, discerning, and collecting relevant information. In fact, a number of such skills, for example good listening skills should have been acquired in order to achieve effective selling (Castleberry & Shepherd, 1993; Comer & Drollinger, 1999; Ramsey & Sohi, 1997). The challenge is then how to ensure and motivate the favorable attitude of the salespeople and to transfer these skills and others to plausible information retrieval processes. Based on the previous research, we propose that the recruitment, training, and supervision of salespeople, as well as the organizational climate should play an important role in promoting effective information retrieval.

Their relationships are shown in Fig. 1.

2.1. Criteria used to select salespeople

Human resources management has placed emphasis on salespeople selection and training as two main routes for improving sales performance which leads to long-term organizational success (Farrell & Hakstian, 2001; Marshall, Stone, & Jawahar, 2001). Farrell and Hakstian's (2001) meta investigation identified six major categories of selection criteria. Of particular interest in the present investigation is the category of background knowledge and skills (Churchill, Ford, Hartley, & Walker, 1985).

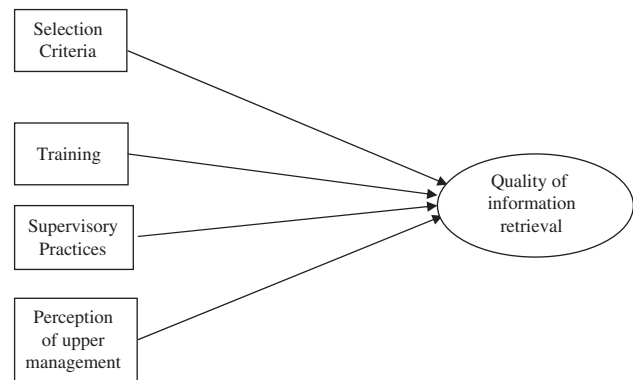


Fig. 1. Predictors of effective information retrieval.

One way to enhance the information gathering of a sales force is to seek out recruits with the basic skills and background knowledge that will provide the raw materials to support information gathering activities. Many of those skills are the same as are needed to support effective selling. In general, the possession of good listening and communication skills provides recruits with the skills needed to elicit sensitive information when they encounter it. Similarly, the possession of good team and relational skills lays the groundwork for a recruit to work with others cooperatively in information gathering activities. In addition to basic skills, a recruit's ability to recognize critical information is important. According to Klompmaker (1980), many salespeople who do not retrieve important information for their company may not understand the value of that information or the complex interrelationships that exist in the marketplace. This would suggest that recruits who have prior understanding of the need for the strategic information and its value to a company would be more likely to recognize it when they encounter it in the marketplace.

More and more, the information that is generated by salespeople is reported back to their companies using various forms of technology (Ingram, LaForge, & Leigh, 2002). Studies have shown a reluctance of salespeople to adopt technology when it is available to them (Jones, Sundaram, & Chin, 2002; Parthasarathy & Sohi, 1997; Rivers & Dart, 1999; Venkatesh & Davis, 2000; Widmeier, Jackson, & McCabe, 2002). As a result, breakdowns in reporting information to the company may stem from lack of comfort with the technology. Thus, comfort with technology is important to the information retrieval process.

The foregoing suggests that the possession of basic communication skills, background understanding of strategic issues, and facility with technology would all be important components of the criteria used to identify and select potential salespeople who are likely to excel in this area. Thus, we argue that:

H1. To the extent that sales force selection criteria focus on communication/relationship skills needed to perform the information retrieval task, understanding of strategic issues, and comfort with technology, the sales force will excel in information gathering.

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