

Sales Force Automation And Organization Profitability: The Case of Unilever And Dalda Companies

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This study highlighted the Impact of Sales force Automation on the Organization efficiency and performance. The study was conducted from October till December; 2008 the Sample chosen for the study is 135 employees of DALDA & UNILEVER companies' i.e. 65 employees of Unilever Company and 70 employees of Dalda. The factors affecting the performance of the sales person in an organization is Motivation of the employees, Aptitude of the sales person towards the organization performance, Role Perception and Automation. The study has showed that the Motivational Perspective relationship between Dalda and Unilever Companies is 58% and 48% respectively, Comparing the Aptitude of sales person in Dalda and Unilever companies its 52% and 48%, employee Boss relationship in Dalda and Unilever is 51% and 49% respectively, the relationship between Automation and Profitability between Dalda and Unilever companies is 52% and 48% respectively and the relationship of Automation and the satisfaction shows that Dalda and Unilever employees are satisfied 53% and 47% respectively. This exploratory study suggests for the positive relationship between information technology and salesperson performance.

Field of Study: Marketing Management

1.0 Introduction

This study explores whether selling skills, sales opportunity development, sales call productivity, and direct communication with the customer has the potential to predict salesperson's performance. Because of the growing intensity of the competition in virtually all spheres of the business activity, sales managers are increasingly aware of the need to stay abreast of and apply new and emerging technologies to improve sales force performance and increase orders. Sales force performance is an important topic both for social researchers and interested in sales as an economic activity and for professionals who practice the techniques of selling and sales management. Previous research has focus on examining different approaches to measuring the performance of sales people (Morris, Michael, 1991).

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Different approaches were used for the relative ease with which performance can be measured in sales; the competitive nature of the selling task, and the fact that successful sales force performance has a direct and fairly immediate impact on organizational performance (Churchill, Ford, Hartley & Walker, 1990; Morris, Davis, Allen, Avila & Chapman, 1991). Although sales researchers and practitioners approach the area of salesperson performance in different ways, the efforts of both groups tend to reflect the fact that sales is a success-driven profession. (Grove, LaForge, & Pickett, 1985; Jackson, Keith, & Schlacter, 1983; Szyrnanski & Churchill, 1990). The study emphasizes on that if the organization adopts an automated system so that all the departments, people related to it are connected to an automated system then what would be its impact on their performance. Will it benefit the company? Or it is just for the sake of increasing the company cost. To verify this study would be conducted in Unilever and Dalda Companies in Rawalpindi/ Islamabad region in Pakistan.

2.0 Literature Review

Salesperson performance is an important topic for both social researchers interested in sales as an economic activity and for professionals who practice the skills of selling and sales management. Previous research has focused on examining different approaches to measuring the performance of salespeople (eg, Avila, Fern, & Mann, 1988; Behrman & Perreault, 1982; Morris, Davis, Allen, 1991; Muczyk & Gable, 1987; Patton & King, 1985) or on identifying and evaluating relationships between determinant factors such as aptitude, motivation and skill level, and salesperson performance (see Churchill, Ford, Hartley, & Walker, 1985, for a meta analysis of these studies). Although sales researchers and practitioners approach the area of salesperson performance in different ways, the efforts of both groups tend to reflect the fact that sales is a success-driven profession (Grove, LaForge, & Pickett, 1985; Jackson, Keith, & Schlacter, 1983; Szyrnanski & Churchill, 1990). This approach is due, in part, to the relative ease with which performance can be measured in sales, the competitive nature of the selling task, and the fact that successful sales force performance has a direct and fairly immediate impact on organizational performance (Churchill, Ford, Hartley & Walker, 1990; Ingram & LaForge, 1997; Morris, Davis, Allen, Avila & Chapman, 1991). While considerable empirical research has focused on explaining salesperson performance in general, only relatively weak associations have been found between what were thought to be determinants of performance and measures of performance (Churchill et al., 1985). Thus, there is a need for further exploration of the determinants of performance (Swenson & Herche, 1994). This study explores whether selling skills, sales opportunity development, sales call productivity, and direct communication with the customer have the potential to predict a salesperson's performance.

The relationship between information technology and sales performance remains primarily unsubstantiated; many organizations spend considerable human and financial resources in equipping their sales force with information technology. Yet, organizations

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need justification for these substantial investments and can not afford to continue to invest in sales technology as a matter of blind faith alone. Moncrief et al.'s (1991) study confirms this thought. The study revealed that the up-front investments in technology. And the .expected performance increases. were the most cited reasons for companies not to invest in laptops for the sales force. Hence, it is surprising that academic research on the effects of IT on sales person performance is lacking.

In fact, Marshall et al. (1999, p.98) state that .very little research has been devoted to Investigating the impact of technology on individual salesperson effectiveness. Hence, this study overcomes the major limitations that previous studies in and outside the field of sales management have faced: this study takes place within one company and mixes multiple data sources (i.e. combined use of multi-source survey data and company records) rather than mere self-reported perceptions. We first hypothesize and test a direct effect of information technology on salesperson performance.

The role perception component ay attached to the position of sales person in any firm represents the set of activities and behavior to be performed by any person occupying that position .the position is defined largely through the expectation and pressures communicated to the salesperson by people both within and outside the firm who have a vested interest in how the salesperson performs the job sales representatives' perception of these people's expectations and demands strongly influences their definition of their role in the company and their behavior in performing the job.

The major variables in the role perceptions component of the model are role perceptions, perceived role ambiguity, and perceived role conflict. The term "role accuracy" refers to the degree to which the sales representatives' perceptions of their immediate supervisor's demands are accurate. Perceived role conflict arises when sales representatives believe that the role demands of their immediate supervisor and top management are incompatible and they cannot possibly satisfy them all at the same time. Perceived role ambiguity occurs when the salespersons feel that they do not have the information necessary to perform their job adequately. All three role perception variables-inaccuracy, ambiguity, and conflict-are likely to have a negative impact on a salespersons' job performance, both through their impact on their level of job satisfaction and because of their effect on the motivation to perform.

Technical knowledge pertains to the development and use of technical expertise such as product applications and customer use situations (Behrman & Perreault 1982). Market knowledge reflects sales representatives' knowledge about the industry in general (e.g. competition or trends) (Ahearne & Schillewaert 1999). Several authors have indicated that the ability to apply knowledge is a prerequisite for effective selling (Weitz et al. 1986; Sujana et al. 1986; Behrman & Perreault 1982).

Testable Hypothesis

- Automation causes increase in the motivation level of employees.
- If employee's aptitude level is high then they will perform better.

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- If employee boss relationship is strong then they will perform better.
- If Automation is adopted then the organization profitability is increased.
- Automated system causes higher satisfaction level of employees

The above mentioned hypotheses are further proven by the study. see the figures 2,3,4,5, and 6

3.0 Methodology

The study is a case study analysis as it is conducted taking the sample of 135 Questionnaires in Unilever and Dalda Companies in Rawalpindi/ Islamabad Region. Questionnaire method is adopted as it is convenient, easy to calculate, give more exact results as the data gathered from it is analysed through SPSS.

The sample study used tells the variability and reliability of the biographical data of the respondents. The procedure used to gather data is the hypotheses and the statistical techniques used to analyze the data.

3.1 Sample Characteristics

The Sample chosen for the study is 135 employees of DALDA & UNILVER companies. The Figure 1 shows Unilever has total 65(48%) and Dalda has 70(52%) distributors which are independently working in their organization and are doing well in the tracking the order of the sales, inventory level, customer history. The gathered data is analyzed through Statistical Package for Social Sciences (SPSS).The Statistical method involved is Descriptive Statistics, Pearson Correlation.

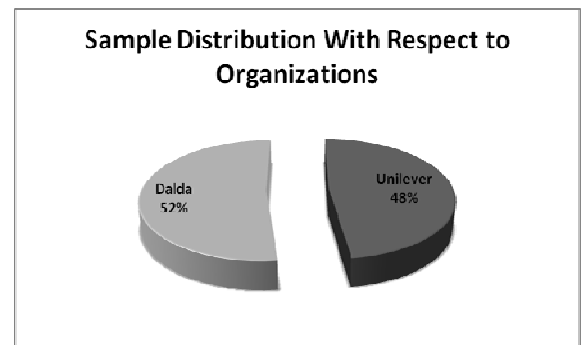


Figure 1

3.2 Data Gathering Instrument

A Questionnaire analysis Conducted in DALDA and UNILEVER companies in Islamabad, Pakistan.The biographical Questionnaire so formed that incorporated the following personal information of the respondents, gender, home language, marital status, age, race, job classification, education, qualifications, job grade and tenure.

3.3 Universe of the Study

The population for the study was obtained from DALDA and UNILEVER organization independently from Islamabad, Pakistan. The people who were directly involved in the sales of the organization were contacted because the sales force automation deals with the organizing, analyzing and collection of the sales data from the distributors.

In the Figure 2 it is shown the relationship between the Motivational Perspective of Unilever and Dalda Companies which shows that motivational level in the Unilever employees is 42% as compare to in Dalda company its 58%, because it articulated more Monetary Rewards and by creating Friendly Environment in the organization to provide a convenient work environment.

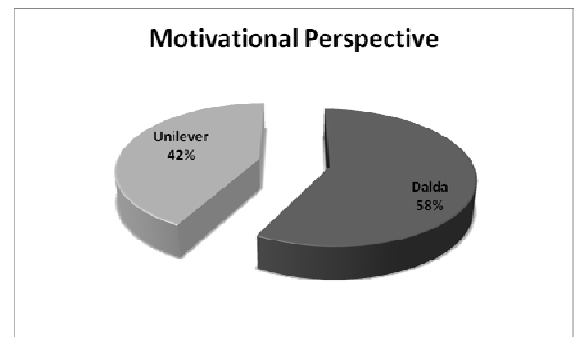
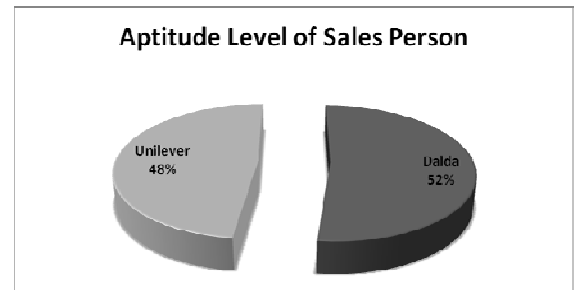


Figure 2

In the Figure 3 it is evident that the Aptitude Level of Unilever Sales Person is 48% and that of Dalda Company is 52% because the employees are adopting more professional approach, they are more keen in taking guidance from the boss or the supervisor moreover they have more grip on there work.



The Figure 4 depicts the Employee and Boss relationship of Unilever and Dalda Companies that Dalda maintains 51% association of employees and boss while in Unilever its 49%, because employees are more efficient to respond to the boss order moreover they are able to fulfill the boss expectations.

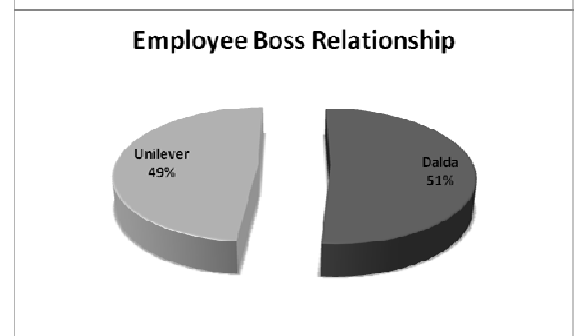


Figure 4

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In the Figure 5 The relationship of Automation and the Profitability of an organization that efficiency of Dalda Sales Person is 52% and that of Unilever is 48% because they are competent enough to attract the customers

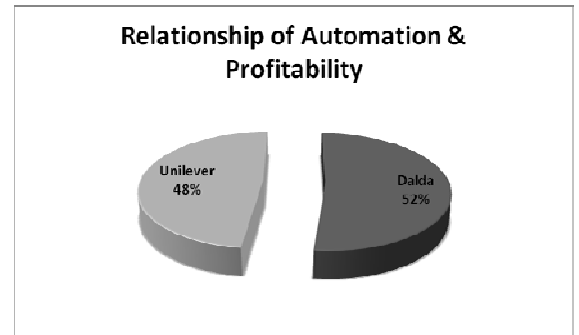


Figure 5

Figure 6 shows the relationship of Automation and Satisfaction between Dalda and Unilever Companies, the Questionnaire analysis shows that it is 47% in Unilever and 53% in Dalda companies because the Dalda sales person and the employees are more efficient at there work and they are more efficient in adopting new ways for the organizing, collecting data which is helpful for generating sales.

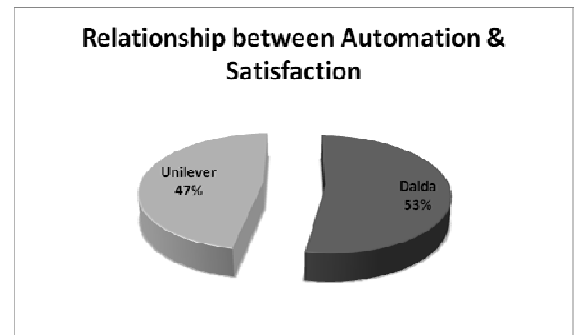


Figure 6

4.0 Results

4.1 Descriptive Statistics of the Study

Table 1

Descriptive Statistics

Variables	Mean	Std. Deviation	N
Satisfaction	35.71	48.262	70
Motivation	80.80	16.802	70
Aptitude	79.38	10.281	70
Role Perception	66.61	11.748	70
Automation	85.45	13.903	70

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Table 1 illustrates that the mean values of Automation is 85.45, its standard deviation is 13.903 and the number of the values that are computed is 70 similarly in case of Motivation, Aptitude, & Role Perception mean values are 80.80, 79.38, 66.61 respectively and Standard deviation are 16.802, 10.281, 11.748 respectively and the number of values of Motivation Aptitude and Role Perception are 70. and the Mean, Standard Deviation and number of values of Dependent Variable satisfaction is 35.71, 48.262 and 70 respectively.

4.2 A Correlation between Dependent & Independent Variables

A statistical concept that shows the tendency of two or more numerically valued random variables to change their values at the same time, either in the same direction (positive correlation) or opposite directions (negative correlation).

Table 2

Correlations

		Satisfaction	Motivation	Aptitude	Role Perception	Automation
Pearson Correlation	Satisfaction	1.000	.690	.812	.456	.718
	Motivation	.690	1.000	.870	.847	.939
	Aptitude	.812	.870	1.000	.763	.907
	Role Perception	.456	.847	.763	1.000	.874
	Automation	.718	.939	.907	.874	1.000
Sig. (1-tailed)	Satisfaction	.	.000	.000	.000	.000
	Motivation	.000	.	.000	.000	.000
	Aptitude	.000	.000	.	.000	.000
	Role Perception	.000	.000	.000	.	.000
	Automation	.000	.000	.000	.000	.
N	Satisfaction	70	70	70	70	70
	Motivation	70	70	70	70	70
	Aptitude	70	70	70	70	70
	Role Perception	70	70	70	70	70
	Automation	70	70	70	70	70

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The Table 2 illustrates the values of the correlation between dependent and independent variables and all are very close to 1 or 1 which indicates that there is strong relation between all variables and shows that all the correlations have significance values less than 0.05 which indicates that all correlations are significantly different from zero. As all variables have positive correlations, so all variables are highly correlated and directly related to each other. Means that the positive change in the independent variable will positively affect the dependent variable, and negative change in the independent variable will negatively affect the dependent variable. The correlation between Automation and Motivation is 0.939 and automation and Aptitude is 0.907 which is very close to 1, similarly the Correlation between automation and role Perception is 0.874 the correlation between Aptitude and Motivation is 0.870, Correlation between role Perception and motivation is 0.847, the Correlation between Automation and Satisfaction is 0.718, Correlation between Role Perception and Aptitude is 0.763 it indicates that they are positively correlated, the value of correlation between Motivation and Satisfaction is 0.690, the lowest value of correlation is between Role Perception and Satisfaction which is 0.456 and it is also positively correlated means that for one degree change in Role Perception there is 0.456 degree change in Satisfaction.

5.0 Conclusion

This exploratory study is suggestive for the positive relationship between information technology and salesperson performance. The model tests the mediating effects of sales skills, smart selling and call productivity on the direct effect between information technology and salesperson performance. To the best of our knowledge, this study is the first to test and explain the relationship between information technology and salesperson performance. At the level of the individual salesperson. In addition, our data find support for the fact the information technology helps salespeople to work smarter. It seems that relying on an array of information technology tools, prompts salespeople to engage in more thorough planning behaviors. To the best of our knowledge, this study is the first to test and explain the relationship between information technology and salesperson performance, The study took place in Dalda and Unilever Companies and found that a strong correlation is found between Independent and Dependent variable which is very close to 1 means that they are strongly related to each other any positive change in Independent Variable will bring a positive change in the Dependent variable. and Similarly a negative change in Independent variable will bring negative change in Dependent Variable. All the Variables are strongly and positively related to each other.

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