

IS THERE ANY DIFFERENCE BETWEEN SALES FORCE AND SALES MANAGER PERCEPTIONS ON THE SALES FORCE AUTOMATION IMPLEMENTATION?

¹Diena Dwidienawati, ²Sri Bramantoro Abdinagoro, ³Dyah Gandasari

ABSTRACT--*SFA has been proven to be related to performance and productivity. SFA implementation required huge investment and study showed that failure rates of SFA implementation is as high as 40-80%. Regardless the fact, studies on SFA are limited. In the last 5 years, there are only 44 SFA studies published in Science Direct. Differences between managers and sales force in their perceptions of a new technology can affect the acceptance and implementation of that technology. The difference perception can undermine the issue face by the sales force. Different perception between Sales Force and managers will risk the success of SFA implementation. This study aims to see whether there is difference perception between sales force and sales manager on how SFA helps their daily works. Quantitative study was conducted in one multinational pharma company in Indonesia. Structured questionnaires with 5 Likert's scale were distributed to 50 sales force and 20 managers. The difference between two group was analyzed using two-sample T-test. The result showed that there was difference perception between sales force and managers on how SFA could help achieving performance, managing sales force, accessing information and planning. However, in-term how SFA help them doing their daily activity such as monitor call, how training and support staff are key, there was no difference between group. This study contributes to the empirical evidence of SFA literature.*

Key words-- *Sales Force Automation, sales force management, sales force productivity*

I. INTRODUCTION

The computer system has been proven to improve the performance of the organization. The influence of information technology (IT) also has impacted the way firms do business. It influences the type of products and services they offer. It also has impacted the process within the company (Navimipour & Soltani, 2016). It has been supporting the organization in planning, decision making, and communication process. Internet technology has been used to engage with the target market, capture new customer, track their behaviour, and understand their needs fast and accurately.

There is a significant trend to enhance customer relationship and productivity through Sales force automation tools implementation. Sales force automation (SFA) technologies are increasingly becoming an integral part of many sales organizations. The benefits of SFA include such as client management, enhanced sales presentations,

¹ Binus Business School, Bina Nusantara University (BINUS), Jakarta, Indonesia, diena.tjiptadi@gmail.com

² Binus Business School, Bina Nusantara University (BINUS), Jakarta, Indonesia, abdinagoro@yahoo.com

³ POLBANGTAN Bogor, Indonesia, dyah.gandasari@gmail.com

automated administrative tasks, and sharing of information. SFA is also known to help reduce cost, increase sales and productivity (Moriarty & Swartz, 1989). SFA also helps to increase customer relationship (Bush, Moore, & Rocco, 2005).

Given the potential benefits of SFA, it requires a huge investment. In 2008, organizations have spent around US\$ 1,1 billion world-wide for SFA application for around 45million sales people (Buttle, Ang, & Iriana, 2006). High investment of automation system is also reported by (Moriarty & Swartz, 1989). Automation investments is as much as \$7 billion for electronics manufacturer and \$8 million for custom printing company. On the other hand, the failures of SFA implementation is reported as high as 55–80% (Block, Golterman, Wecksell, Scherburger, & Close, 1996; Galvin, 2002; MacInnes, 1998 in (Bush et al., 2005).

Despite of the increasing trend of SFA adoption, huge investment and the magnitude of SFA failures, it is surprising that relatively few studies have addressed this important topic (Bush et al., 2005; Buttle et al., 2006). In the last 5 years (2015-2019), there are only 44 studies on the topic of SFA published in Science Direct.

This study aims to see whether there is different perception between salesforce and manager. If management's expectations of the system are significantly different from the sales force's perceptions, then there will be is a potential disconnection which can lead to unrealistic expectations. The manager might demand unrealistic of sales productivity. The issues faced by salesforce might potentially undermined. If the different perception recognized, it can help the organization to work into solution to optimize the utilization of SFA.

II. LITERATURE REVIEW

Sales Force Automation (SFA)

Morgan and Inks (2001) in Buttle et al. (2006) defined SFA “*systems that utilize computerized hardware and software to provide automated collection, assimilation, analysis and distribution of information to improve sales force productivity*” (Morgan and Inks 2001). SFA is also defined as “*systems consist of centralized database systems that can be accessed though a modem by remote laptop computers using special SFA software ... [so that a] salesperson ... can get constantly refreshed information regard- ing various aspects of the job*” (Parthasarathy and Sohi 1997 in Buttle et al. (2006).

Buttle et al. (2006) quotes Pullig et al 2002 also state that SFA as selling function in the form of technology application. “*SFA supports the sales process by improving the speed and quality of information flow among the salesperson, customer and organization*” (Speier and Venkatesh 2002 in Buttle et al. (2006). Therefore, SFA can be characterized and defined as “*the application of information technology to support the sales function*”.

Introduced in 1980, currently There is a significant trend to enhance customer relationship and productivity through Sales force automation tools implementation. Previous studies have identified the benefits of SFA. SFA improves access to timely information. It enables salesforce to work more efficient, more effective and more satisfying (Ko & Dennis, 2004). SFA also improves performance (Ko & Dennis, 2004; Moriarty & Swartz, 1989; Moutot & Bascoul, 2008) and productivity (Moutot & Bascoul, 2008).

Buttle et al. (2006). identified the benefit of SFA from different stakeholders. From sales force point of view SFA enables them to shorten the sales cycles, improve closing opportunities and increase win rates. As for sales managers, SFA helps them to improve team productivity, enhance customer relationship, provide more accurate

reporting and reduce cost of sales. The benefits of SFA for senior manager includes accelerating cash flow, increasing revenue of sales and market share and improving profitability.

While the potential benefits of SFA are huge, managers need to be aware that successful implementation of SFA technologies has remained elusive. Failure rates of SFA implementation have been reported to be very high. Bush et al. (2005) referring to report from Block et al (1996), Galvin (2002) and MacInnes (1998) states that SFA implementation failure rates is as high as 55-80%. Morgan and Inks (2001), Rivers and Dart (1999) and Schafer (1997) in Buttle (2006) report that the failure rates is 61%. Buttle et al. (2006) quotes from Blodget (1995-1996) that the failure rates can be as high as 75%. Honeycutt, Thelen, Thelen, & Hodge (2005) confirms that SFA failure rates is 55-75%.

Studies have reported the reasons of the high failures rate. Those include lack of metric throughout the firms and information overload satisfying (Ko & Dennis, 2004). Lack of motivation and the belief that the system complicated their work have been reported as reasons of implementation failure by Markus and Keil (1994) in Bush et al. (2005). Poor system design and lack of adequate training are reported by Rasmussen (1999) and Bettramini (1988) in Ko & Dennis (2017). Study from Jones, Sundaram and Chin (2002) in Bush et al.,(2005) report that reasons for sales force to underutilize are inertia, trade-offs, lack of sales management support, lack of rewards to change, nonmonetary costs of adoption, and/or personal and demographic factors.

Positive perception will strongly influence acceptance have been reported in several pervious study (Steele, Lo, Secombe, & Kuen, 2009) reported that in elderly positive perception of wireless sensor network will influence their acceptance. Perceived benefit influence the acceptance of technology also reported by (Siegrist, 2000).

The influence of perception to acceptance of technology acceptance has been tested by (Davis, Bagozzi, & Warshaw, 1989) and known as Technology Acceptance Model (TAM). TAM is an extension of TRA based on Ajzen & Fishbein (1977). TAM specifies the causal linkages between perceived usefulness and perceived ease of use, and user's attitudes, intentions, and actual computer adoption behaviour.

Salesforce's perception to SFA will strongly influence acceptance to the system. Favourable perception will lead to better acceptance (Gohmann, Guan, Barker, & Faulds, 2005). If salesforce perception to SFA differ to that of manager, it will affect the system adoption which might lead to system implementation failure. Gohmann et al. (2005). in their result show that manager perception to how SFA helps them improve performance is higher than sales force perception.

Hypothesis 1: Manager perception that SFA improves their performance is higher than salesforce perception.

SFA has several functions. Firstly, SFA can be used as store knowledge. The organization knowledge is carefully stored and organized into reusable knowledge (Ko and Dennis). Secondly, SFA has role as productivity tools. SFA enables salesforce to shorten the sales cycles, improve closing opportunities and increase win rates (Buttle et al., 2006; Moriarty & Swartz, 1989). The last one SFA is as managerial tools. Buttle et al., (2006) identify the benefit of SFA for sales managers are SFA helps them to improve team productivity, enhance customer relationship, provide more accurate reporting and reduce cost of sales.

Salesforce is still unconvinced that the new technology adopted is simply for their benefit. Salesforce see SFA is tools to reduce their work autonomous. SFA is used by manager as tools to monitor and tracking salesforce

activity. When talking about productivity they see SFA as tools to justify downsizing. Unlike manager, salesforce is never being involved in the new technology implementation planning (Honeycutt et al., 2005). Manager see SFA implementation enable them to plan, allocate resource, access information and communicate better (Buttle et al., 2006; Honeycutt et al., 2005). Salesforce see the SFA as tools to monitoring their work closely.

Hypothesis 2: Salesforce are more likely to perceive SFA as micromanagement tools than manager

III. METHODOLOGY

This study aims to see whether there is difference perception between sales force and manager on how SFA helps to improve their performance and how SFA as managerial tools. A quantitative study was done in November 2017 in one pharma company in Indonesia who has been implemented SFA. Structured questionnaires were design for respondent self-rating. Questions used in the questionnaires were adopted from Gohman et al (2005) to rate respondent perception on SFA role in their performance as well as managerial tools. Questions for performance such as whether SFA helps achieve target, makes salesforce more productive, makes salesforce more efficient, improves communication with customers and improves service to customers. Questions regarding SFA as managerial tools include SFA helps managers in managing salesforce and SFA helps improves salesforce productivity.

Five scale Likert's scale was used from 1 (very much disagree) to 5 (very much agree). Respondents were sales force and managers one pharma company in Indonesia. They have need used SFA more than 3 years. Fifty sales force and 20 managers participated in the study. There were no significant missing data, therefore all data was eligible to be analyzed. Descriptive analysis was done to see their self-rated. The difference between the two group was analysed with simple paired T-Test.

IV. RESULT

They are 50 sales force and 20 managers. In sales force 22% was female and 78% was male. In manager level only 5% was female and 95% was male (Figure 1). Sixty-eight per cent of sales force was below 30 years old, 30% was between 30-40 years old and 2% was above 40 years old. There was 65% of manager between 30-40 years old and 35% was above 40 years old (Figure 2).

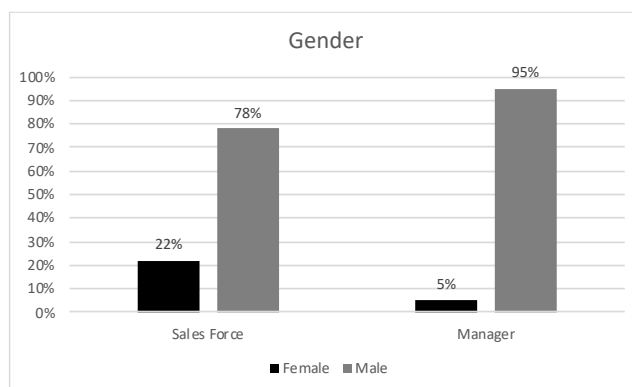


Figure 1: Gender of Respondents

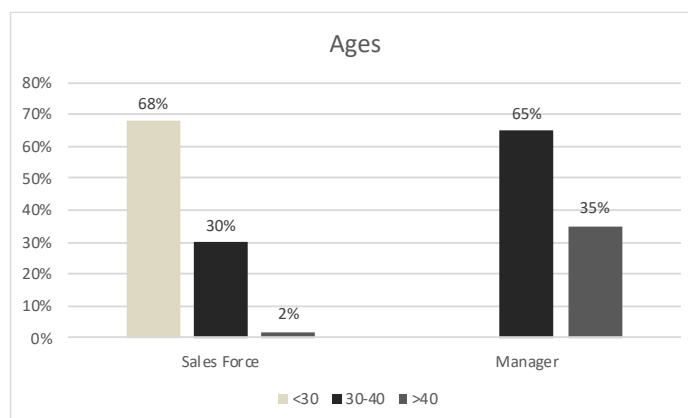


Figure 2: Ages of Respondents

Both salesforce and managers agreed to all the statements in the questionnaires with score more than 3. For salesforce statement about SFA makes them work more efficiently scores the highest means (4,30) and statement about SFA helps them achieve target scores the lowest (3,60). For manager, statement about SFA helps the team more productive scores the highest (4,53) and SFA improves communication with customers scores the lowest (4,06).

Table 1 showed that almost all questions regarding performance, there were significant different between salesforce perception and manager perception. Managers tend to have higher rate compared to salesforce. Only statements about SFA helps efficiency and improve communication with customer the different was not significant. For all statements that show significant differences the gap of perception was quite big. For achieving target, salesforce means was 3,600 and manager was 4,176. The statement of makes more productive, salesforce means was 4,020 and manager means was 4,529. For the stamen of improving service to customers, salesforce means was 3,700 and manager means was 4,412. With this result, therefore hypothesis 1 can be accepted.

Table 1: SFA helps in achieving performance

	SF Means (Var)	Mgr Means (Var)	T-stat	P=value
SFA helps me achieve target	3,60 (0,78)	4,18 (0,40)	(2,48)	0,008
SFA makes me more productive	4,02 (0,31)	4,53 (0,26)	(3,34)	0,001
SFA makes me more efficient	4,30 (0,34)	4,41 (0,26)	(0,71)	0,241
SFA improves communication with customers	4,00 (0,37)	4,06 (0,93)	(0,29)	0,385
SFA improves service to customers	3,70 (0,66)	4,41 (0,76)	(3,06)	0,002

As for SFA as managerial tool, there was also different perception. However, the perception of salesforce was not as what hypothesis 2 said. The perception of salesforce was lower than managers. Hypothesis 2 was rejected based on this result.

Table 2: SFA as a managerial tool

	SF Means (Var)	Mgr Means (SD)	T-stat	P=value
SFA helps manager to manage SF	3,87 (0,41)	4,47 (0,77)	(3,087)	0,001
SFA helps SF to improve SF productivity	3,80 (0,48)	4,35 (0,49)	(2,737)	0,004

V. DISCUSSION

Buttle et al. (2006) has the benefit of SFA from salesforce and sales manager. From sales force point of view SFA enables them to shorten the sales cycles, improve closing opportunities and increase win rates. As for sales managers, SFA helps them to improve team productivity, enhance customer relationship, provide more accurate reporting and reduce cost of sales. Therefore, it is recognized that SFA is not only tool to improves productivity, but it is also served as managerial tool.

Confirming the work that conducted by Gohmann et al. (2005)., that there is a different perception between salesforce and manager in the perceived of usefulness of SFA. In term of improving performance (achieve target, achieve productivity and achieve service to customer), managers seemed to have higher rate of usefulness compared to salesforce.

There are several reasons behind this differences. The first one is the negative perception of the implementation. It might be because salesforce are still not convinced that this tool simply introduced for their benefit. Salesforce might also thing that the implementation is to reduce their autonomous and monitor their works closely.

The other reason might be the performance point of view are different in perspective. As individual, salesforce might not be able to see a significant different in their performance. They might not feel huge improvement in productivity and service to customer. However, managers see from accumulative perspective. Therefore, the cumulative impact is quite sizable for the team achievement.

This difference in perception is an issue that the organization should address. Otherwise, the organization will undermine the less satisfaction or any issues faced by salesforce. Managers need to communicate about the benefits of the system and the impact of the system to overall team and company more frequently. Expectation management should be re-evaluated.

Both sales manager and salesforce agreed that SFA improves their efficiency and how they communicates with customers. SFA known to make work more easier and eliminate manual works substantially. Planning and call monitoring are much more easier and faster. Salesforce are the first to acknowledge these benefits. Customer communication have been easier to manage. What promotional tools to use and to whom are already made available. It makes salesforce easier to track and monitor.

In term of perception of micro management, the result of the study showed that there was a different. However, contrary to hypothesis 2, salesforce felt they were being less micromanaged than manager perceived how they micromanage. The explanation might be because with SFA the managers are no longer in constant communication with salesforce, therefore, even though their work are closely monitored, but they do not feel it

directly. This result is good for the organization. It seemed salesforce does not feel that their autonomous being interrupted and being watched closely.

VI. CONCLUSION

There is a significant trend to enhance customer relationship and productivity through Sales force automation tools implementation. Sales force automation (SFA) technologies are increasingly becoming an integral part of many sales organizations. SFA is also known to help reduce cost, increase sales and productivity (Moriarty & Swartz, 1989). SFA also helps to increase customer relationship (Bush et al., 2005)..

SFA, it requires a huge investment. However, the implementation of SFA is not easy. Failure rates of SFA implementation have been reported to be as high as 55-80% (Block et al (1996), Galvin (2002) and MacInnes (1998) in Bush et al. (2005). One of the reason of implementation failure rate is perceived of usefulness.

This study showed that there were different perceptions in term of SFA usefulness. Salesforce rate SFA usefulness was less than sales manager. This different might risk the success of the implementation. Constant communication and how to manage the right expectation should be conducted to improve the current situation of the company. In term of micromanagement, the result showed there was favourable difference. Salesforce did not feel that they were being micromanaged.

This study contribute to the empirical evidence of SFA implementation in how in technology adoption similar perception between salesforce and manager is important . The managerial contribution of this study is for organizations to always have communication to reduce the difference perception. Limitation of this study are that this is a case study in one company, study involving companies from different industry will be beneficial to generalize the result. Study to see the relationship between perception and performance can set as further research.

REFERENCES

1. Ajzen, I., & Fishbein, M. (1977). Attitude-Behavior Relations: A Theoretical Analysis and Review of Empirical Research. *Psychological Bulletin*, 84(5), 888–918. <https://doi.org/10.1037/0033-2909.84.5.888>
2. Bush, A. J., Moore, J. B., & Rocco, R. (2005). Understanding sales force automation outcomes : A managerial perspective B. *Industrial Marketing Management*, 34, 369–377. <https://doi.org/10.1016/j.indmarman.2004.09.016>
3. Buttle, F., Ang, L., & Iriana, R. (2006). Sales force automation : review , critique , research agenda. *International Journal of Management Reviews*, 8(4), 213–231. <https://doi.org/10.1111/j.1468-2370.2006.00128.x>
4. Davis, F. D., Bagozzi, R. P., & Warshaw, P. R. (1989). User Acceptance of Computer Technology: A Comparison of Two Theoretical Model. *Management Science*, 35(8), 982–1003. Retrieved from http://ac.els-cdn.com/S0020737383710229/1-s2.0-S0020737383710229-main.pdf?_tid=3c03a072-c19c-11e4-ae71-00000aab0f6b&acdnt=1425383929_2651d0fc7bc74d0abcee54d9f5f91b76
5. Gohmann, S. F., Guan, J., Barker, R. M., & Faulds, D. J. (2005). Perceptions of sales force automation : Differences between sales force and management. *Industrial Marketing Management*, 34, 337–343. <https://doi.org/10.1016/j.indmarman.2004.09.014>

6. Honeycutt, E. D., Thelen, T., Thelen, S. T., & Hodge, S. K. (2005). Impediments to sales force automation. *Industrial Marketing Management*, 34(4), 313–322.
7. Ko, D., & Dennis, A. R. (2004). Sales Force Automation and Sales Performance : Do Experience and Expertise Matter? *The Journal of Personal Selling and Sales Management*, 24(4), 311–322.
8. Moriarty, R. T., & Swartz, G. S. (1989). Automation to Boost Sales. *Harvard Business Review*, (February).
9. Moutot, J., & Bascoul, G. (2008). EFFECTS OF SALES FORCE AUTOMATION USE ON SALES FORCE ACTIVITIES. *Journal of Personal Selling & Sales Management*, XXVIII(2), 167–184. <https://doi.org/10.2753/PSS0885-3134280205>
10. Navimipour, N. J., & Soltani, Z. (2016). The impact of cost, technology acceptance and employees' satisfaction on the effectiveness of the electronic customer relationship management system (Vol. 55). <https://doi.org/10.1016/j.chb.2015.10.036>
11. Siegrist, M. (2000). The influence of trust and perceptions of risks and benefits on the acceptance of gene technology . *Risk Analysis*, 195–204. <https://doi.org/10.1111/0272-4332.202020>
12. Steele, R., Lo, A., Secombe, C., & Kuen, Y. (2009). Elderly persons ' perception and acceptance of using wireless sensor networks to assist healthcare. *International Journal of Medical Informatics*, 8, 788–801. <https://doi.org/10.1016/j.ijmedinf.2009.08.001>