Chapter III
Planning for the Introduction of Mobile Applications to Support the Sales Force: A Value-Based Approach

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ABSTRACT

Performance gains from SFA investments have often been obstructed by the sales force’s unwillingness to accept and use available systems. Studies show that a strong reason for resistance by the sales force to the technology is the failure to convince salespeople of the advantages and benefits of the new technology. Consequently firms face the challenge of selecting SFA technologies that their sales force will perceive as valuable and accept to use to enhance its performance. This issue becomes more challenging when it comes to introducing emerging technologies such as mobile technologies, where there is a risk of falling into the trap of overestimating/underestimating their potential value. The present study proposes a value-based approach for planning the introduction of Mobile applications to support the sales force. The approach suggested provides guidelines on how to determine whether or not mobile technologies would add value to the sales force before those technologies actually get selected and implemented. Good planning of SFA investment would help firms avoid resistance of the sales force towards the implemented systems, rather than having to treat it at the post-implementation stage.

INTRODUCTION

Despite the impressive advances in hardware and software capabilities the troubling problem of underutilized systems continues. Low usage of installed systems has been identified as a major factor underlying the “productivity paradox” surrounding lacklustre returns from organizational investments in information technology. (Venkatesh and Davis, 2000, p 186).
The above problem is highly relevant to the sales force. In recent years the issue of motivating the sales force to adopt sales force automation (SFA) technology has come to the forefront in both practitioner publications and academic research.

SFA occurs when firms apply information and communication technologies to improve the effectiveness and efficiency of sales-related activities, notably the sales force channel. SFA can be applied to support many sales force's tasks such as contact management, scheduling, targeting, forecasting, mapping out sales routes, prospecting, making sales presenting, reporting sales encounters, collaborating with colleagues, retrieving sales information, documenting buyers' objections and gathering important customer and competitor data that feed marketing decisions (Widmier, Jackson, & McCabe, 2002; Engle & Barnes, 2000). In 1996 SFA was a US$ 1.5 billion industry (Rivers & Dart, 1996) and the global market for SFA software was predicted to reach $4.5 billion by 2004 (Rangarajan et al. 2005), and was predicted to grow significantly in the future. The cost per sales person for SFA is estimated to be US$5000 to US$15000 per year (Honeycutt et al. 2005).

To date 55-80 per cent of SFA projects have been unsuccessful (Honeycutt, 2005; Rigby et al. 2002). According to a leading IT consulting agency, 60 per cent of sales personnel report not using available SFA technology (Dulaney, 1996). The main reason cited by sales representatives is that SFA did not help them in the most important aspects of their job: face-to-face customer meetings. As a result, given that firms invest between US$5000 and US$15,000 per salesperson in SFA projects, failure rates at even one half of this magnitude indicate that firms may not be recouping their technology investment (Honeycutt, 2005). Aside from the obvious negative effect on company profits such failure can also hinder sales force performance and potential customer satisfaction (Jones et al., 2002)

### The Problem of Motivating the Sales Force to use the Company-Initiated SFA Systems

Firms planning the introduction of new SFA to support their sales force face the challenging problem of how to convince their salespeople about the usefulness of the new technology so that they adopt it and use it to enhance their performance.

Studies on SFA adoption have shown that perceived usefulness is the strongest factor that influences salespeople’s adoption of new technology. For instance Schillewaert et al. (2005) studied 229 salespeople from different industries in order to investigate their adoption of information technology. The results of their studies indicate that usefulness is a fundamental driver of sales technology usage by the sales force and ease of use is a secondary driver. Similarly Avlonitis et al. (2005) found that salespersons are more likely not to adopt and use implemented information systems in day-to-day activities if they believe that such systems are not useful and/or are difficult to use. Jones et al. (2002) examined factors leading to SFA use. The results of their study show that usage of the technology may depend on its benefit as perceived by the individual salesperson. The authors also found that salespersons who demonstrate a low level of personal innovativeness may experience problems in adopting the technology. Likewise a study by Buehrer et al. (2005) investigated reasons why sales representatives use technology and barriers that may impede their successful adoption of SFA systems. Their findings indicated that sales representatives use technology because it is useful.

### The Problem of Predicting the Value of an Emerging SFA Technology

Given the importance of perceived usefulness for SFA adoption, firms planning the introduction of new SFA face the challenging problem, “how to determine the potential value of a new SFA so
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