The Role of Information Technology and Sales Skills to Enhance Sales Performance of Pharmaceutical Employees

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Abstract

The aim of the current study was to investigate the role of information technology and sales skills upon salesmen performance. For this purpose survey approach cross-sectional design was used. Total 203 sales managers and employees have participated in the current study. Non probability convenience sampling technique was used. Correlation, regression analysis was run to test the hypotheses while, EFA, CFA and cronbach alpha was used to check the reliability and validity of the measurement model. It was found that scales used in the study are found reliable and valid and correlation shows positive and significant relationship among all variables. pharmaceutical firms need to invest and focus on improving sales skills of their work force it could help them to get competitive advantage and better performance to increase their sales and profits.

Keywords: Sales skills, Information Technology, Sales-rep, Performance, Market Knowledge, Technical Knowledge, Sales presentation skills,

Introduction

There has been raised in expenditure in pharmaceutical companies and firms and executives in pharmaceutical firms are trying to manage their expenses. The increase in use of information technology and latest equipments and advance techniques has changed the work productivity of sales force rapidly. It is very important for the salesmen to keep upto date and accurate information of their customers. This can be done by use of latest technology in the pharmaceutical firms. It is believed that use of information technology (IT) help the firms to increase productivity, performance and relationship with their customers (Campbell 1998). Firms are spending huge financial resources to equip their work force with latest information technology tools yet the relationship between information technology, sales skills and sales performance is not explained in detail and needs exploration in depth. There are many benefits firms can take competitive advantage by using information technology e.g. quality of information, timely provision of information and accurate information is available to the sales work force about their customers (Huber, 1990). Nowadays computer software are available that can serve multipurpose for example audio, video, graphics etc, salesmen can have better

opportunity to demonstrate their product and its quality, presentation to their customers and can increase their sales. There has been limited knowledge and research can be found about information technology, sales skills and salesmen performance. the current study has filled the gap in the literature by digging in depth about the above mentioned variables so that organizational can obtain competitive advantage and better salesmen performance and increase their profitability (Goldenberg 1996).

Literature review

Information Technology

Information technology is rapidly changing and due to IT the living style and way of doing business is also changing. Information technology has changed the trends of doing business, quality and information of products and their ways of promotions have also been changed. They have a great impact and bring revolutions in the industries. Many companies are not able to survive because of rapid changes and advancement in information technology such as Nokia, Sony Ericson etc. information technology has redesigned and reshaped the business models and industries. World has been shifted to digitalization. Firms provide IT to their sales men but now it depends upon their sale work force how much they get benefit from the IT (Spiro & Weitz 1990). Through use of information technology firms can make portfolio of their products, services and customers and provide it to their salesmen. In addition sales managers can provide training to their salesmen and encourage them to gain benefits through us of IT in the field.

Sales Performance

Sales performance is the ability of the work force to increase their sales. The main aim of the sales performance is to set objectives of the sales and to satisfy the needs and demands of their customers. For this purpose sales performance management (SPM) system software is introduced to track the information of sales quotas, feedback, development of skills, forecasting, job evaluation etc. in Pakistan sales men in pharmaceutical firms are known by the names sales representatives shortly known as sales-rep. they help organizations to make big profits by making more and more contacts with their clients and customers. Sales managers are held responsible for providing resources, training and customer portfolio to their sales-rep. they have to provide coaching to their sales force. For that purpose sales managers need hard working, talented and committed workforce for their firms. There are certain factors such as market situations, brand image, and competition which are directly and indirectly affecting the sales. These are not under control of salesmen (Marshal et al 1999). The main aim of this current study is performance of salesmen in the field of sale force management. According to Beverland (2001) if salesmen are doing well pharmaceutical firm is also doing well. It all depends upon the performance of salesmen. Sales force has to perform unique role between their firm and customer. They act as bridge between firm and customer and provide new link, new opportunities, values and intentions for future (Boles, Danny, Thomas, & Hiram, 2000). Sales person are

the most important factor in the firm and they play important role (Rentz et al., 2002).

Sales Skills

There are four dimensions of sales skills market knowledge, technical knowledge, sales presentation skills and technical skills. It refers to ability of a person which is learned to perform specific tasks related with sales (Ahearne & Schillewaert, 2000).

Market Knowledge

The knowledge of the sales-rep about the product, demands of customers, competition in the market, trends in market is called market knowledge. Knowledge is an asset which helps the salesmen to survive in the market (Weitz et al., 1996). When there are complex situations in the market and trends are changing rapidly then market knowledge helps the sales force to handle complex market environment. Applying knowledge is the condition for best selling (Sujan *et al.* 1994). Upto date and recent knowledge about the market help the salesmen to avoid doing blunders (Futrell, 2006). Furthermore, it was claimed that salesmen must have entrepreneurial and strategic ability it could significantly affect the salesmen performance.

Technical Knowledge

Technical knowledge refers to knowledge of the salesmen about their competitors, their products and services, their marketing strategies, the workforce working for their competitors etc. moreover; technical knowledge refers to functions and applications of products, its design etc. people tend to get technical ability as compared to sales ability. Training someone in sales is more difficult then training someone about technical aspect of the product or services. It is believed that having technical knowledge about the product, market and industry is the main source of success and survival in the market with the help of information technology (Baldauf and Cravens, 2002).

Sales Presentation Skills

It means the communication process of salesmen with the customers and clients. Providing quality presentation of products, company image and communicating well with clients is a dimension of sales performance. In sales presentation the sales-rep has to clear all the queries and questions of clients. He has to make clear the thoughts of his/her customers. Using advanced information technology tools sales-rep could present their products ore attractive and appealing. Sales presentation skills include selling behavior, handling objections, active listening, negotiating with customers etc (Colombo, 1994).

Targeting skills

Findings the target audience and correct customer for the specific product or service is the skill of the salesmen. They should know the prospective buyer and user i.e. customer and consumer of their firms' products and services. It is the main duty of salesmen. This could be done by customer portfolio. Second is meeting the monthly, quarterly and annual target of the sales. If the sales-rep has fulfilled his criteria it could be considered as competitive advantage of the salesmen (Collins, 1984).

Research Methods

The cross sectional design survey approach was sued in the current study (Chughtai & Zafar, 2006; Collis et al., 2003). Primary data was collected from the informants. It is

4470

also called first hand data which was never before collected. The advantage of the survey is less time and low cost. Data from big population could be easily collected and analyzed.

Population and Sampling

The five multinational pharmaceutical firms working in southern districts were chosen as population of the study. These are Pfizer, Abbot, Mark, GSK and Sanofi Aventis. Non probability convenience sampling technique was sued and total 203 respondents have taken part in the study. Sample consisted of sales managers, area managers and sales representatives (Yamane, 1967).

Data Collection instruments and Methods

Adopted questionnaires were used. Descriptive and inferential statistics was used in the current study. SPSS version 21 was sued for data analysis (Barron & Kenny, 1986). Questionnaire includes two parts one is about demographic variables and second is about continuous variables. Reliability was checked by Cronbach Alpha and hierarchical regression as run to test hypotheses (Remenyie et al., 1994).

Results

Table 1

Measurement Model

Variables	Items	Mean	S.D	Loadings	Cronbach Alpha
Information Technology	5	1.8916	.53072	0.527-0.871	0.678
Market Knowledge	3	1.6765	.54793	0.763-0.771	
Technical Knowledge	5	1.8365	.52052	0.538-0.722	0.802
Technical Skills	4	1.8695	.51962	0.572-0.780	
Sales Presentations	8	1.7475	.40380	0.419-0.770	
Salesmen Performance	10	2.0631	.45941	0.423-0.830	0.716

Table 1 presented the findings of measurement model. Highest mean score is recorded for salesmen performance i.e. M=

2.063, S.D=0.459, while lowest score is recorded for market knowledge M= 1.676, S.D= 0.547 respectively. The criterion for exploratory factor analysis suggested by Field (2013) was adopted. Loadings of 0.4 and higher were retained in the analysis. It is clear from the above table 1 that loadings of information technology ranges between 0.527 to 0.871, and alpha is 0.678, the loadings of market knowledge also fulfilled the threshold and loadings of technical knowledge, sales skills and sales presentation skills are also in the given range. Alpha value of sales skills is 0.802 and loadings of salesmen performance are 0.423-0.830 and cronbach alpha is 0.716. Therefore it is assumed that questionnaire adopted for the current study is found reliable and valid.
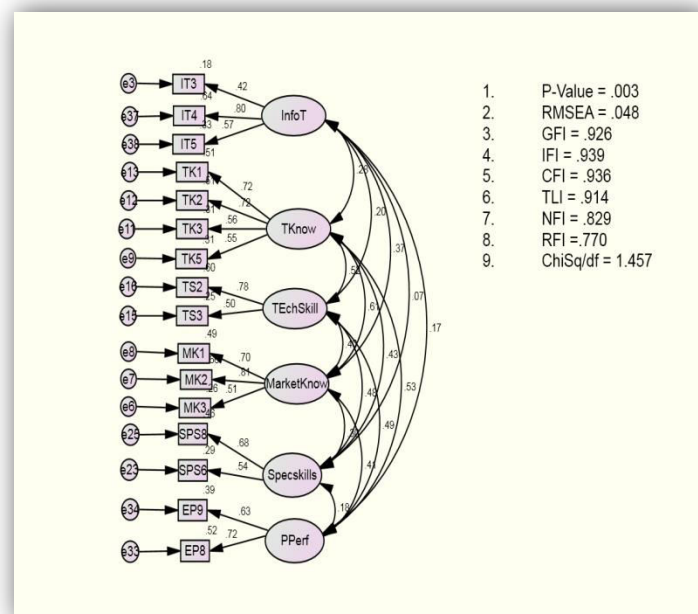

Figure 1: Measurement Model

Measurement model was developed in the AMOS-SEM. factor loadings criteria given by Field (2013) was used. all the loadings are higher than 0.4. Furthermore threshold

values for RMSEA is <0.08, and cut off level for GFI, IFI, CFI, TLI, NFI also meet the threshold value i.e. >0.80 or >0.9, Chi square is also less than 3. See Figure 1. Hair et al (2017).

H_1: There is significant relationship between predictors and criterion.

Table 2

Correlation Analysis

	Variables	1	2	3	4	5	6
IT	Pearson Correlation	1					
MK	Pearson Correlation	.318**	1				
TK	Pearson Correlation	.251**	.449**	1			
TS	Pearson Correlation	.209**	.257**	.321**	1		
SPS	Pearson Correlation	.134	.256**	.345**	.349**	1	
SP	Pearson Correlation	.214**	.250**	.274**	.384**	.230**	1

**. Correlation is significant at the 0.01 level (2-tailed).

The relationship between information technology and salesmen performance is r = 0.214, p<0.05, it means that there positive and significant relationship found between two variables. further analysis of results revealed that market knowledge has positive and significant relationship with salesmen performance r = 0.250, technical knowledge, technical skills and sales presentation skills have also positive and significant relationship with salesmen performance i.e. r = 0.274, r = 0.384, r = 0.230 p<0.05 respectively. It stated that with the increase in use of information technology the performance of salesmen would be increased. Moreover, attributes of sales skills such as market knowledge, technical knowledge, technical skills and sales

presentation skills also increase the performance of salesmen of pharmaceutical firms. Therefore, H1 is accepted.

H_2: IT and sales skills have positive influence upon salesmen performance

Table 3

Testing Hypotheses Mediation Results

D.V	I.V	R	R^2	F	β	p
Salesmen P	Constant	0.214	0.046	9.661		0.002
	IT				0.214	0.000
Salesmen P	Constant	0.406	0.165	39.644		0.000
	Sales skills				0.406	0.000

From the table 3 it is revealed that effect of information technology is significant. R = 0.214, R^2= 0.046, i.e. 4.6% variance is explained by the information technology upon salesmen performance. Model is found best fit F= 9.661, p<0.01 shows goodness of fit, further analysis of results revealed that β=0.214, one unit change in information technology could bring 21.4% variation in salesmen performance. on other hand, sales skills shows 0.406, 40.6% variance upon salesmen performance. goodness of fit F= 39.644, p<0.01, while β=0.406, means one unit change in sales skills could bring 40.6% change in sales men performance. It means that organizations need to focus more sales skills of the employees so that they could increase their productivity and performance (Leigh & Patrick and in turn organizations increase their profits. H2 is accepted.

Discussion and Conclusion

The aim of the study was to find the impact of information technology and sales skills of salesmen upon their sales performance. The results revealed that there is positive and significant impact of both predictors upon criterion. The most dominant variables in

the current study were sales skills. Pharmaceutical firms need to increase their profits and for this purpose they need to invest on developing the sales skills of their work force (Berhman & Pearault 1982;Kotler, 1994). It needs huge budget and financial resources to invest in their employees. in addition firms should equip their employees with information technology they should know the benefits of using information technology so that they must get advantage in the market by capturing more market share. Therefore, the benefits of information technology and enhancing sales skills of the sale-rep are vital. Pharmaceutical firms are fully aware of the use of information technology it help their salesmen to better demonstrate their product, complete information of the product, services and customers in only possible with use of IT. It is concluded that firms must attain competitive advantage and enhanced sustainable performance by using information technology (Wedell & Humpeck, 1987).

Limitation and Future Directions

The current study has used small sample size which is a limitation findings cannot be generalized to big population and one can be careful while making generalizing. Second the data used is cross-sectional while qualitative data and longitudinal could help more in understanding the problem of subject matter better (Ingram ,1997). Third there is need to use moderator and mediators and analyze more complex problems. Fourth sampling technique could be changed in future studies (Jabareen, 2009).

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