

# Implementing A Customer Relationship Management: The Proactive Steps For Sales Managers To Prevent A Sub-Optimised Salesforce Performance

E. Chuke Nwude

Department of Banking and Finance, Faculty of Business Administration  
University of Nigeria Nsukka, Enugu Campus. e-mail:chukwunekenwude@yahoo.com

Joseph I. Uduji

Department of Marketing, Faculty of Business Administration  
University of Nigeria Nsukka, Enugu Campus.

## Abstract

Customer Relationship Management (CRM) is a comprehensive business model for increasing revenue and profits by focusing on customers. It includes any application or initiative designed to help firms optimise interactions with customers, suppliers or prospects via one or more touch points – such as a call centre, sales person, distributor, store, branch office, web, or email for the purpose of acquiring, retaining or cross-selling customer. But it is a serious mistake to consider CRM as mere software. In fact, many firms are struggling with their CRM initiatives precisely because they have bought the sophisticated software, but do not have the culture, structure, leadership, or internal technical expertise to make the initiative successful. Factor analysis was used to analyse the collected data, in order to isolate principal components that account for the proactive steps for sales managers to prevent an out-and-out CRM failure. The result shows that a close relationship exists between a company's effective CRM strategic implementation and its salesforce compensation plan. To get its salespeople to aid in successfully implementing its CRM, sales managers need to coordinate its sales compensation plan with the company's CRM strategy.

**Keywords:** Campaign Management; Transaction-based Interaction; Point-of-Sale Interaction; Predictive Modelling; Empowerment; Data-driven Marketing; Response List; Database Enhancement.

## Introduction

Many of the concepts underlying CRM are not at all new. One might open a principles of marketing textbook from 20 years ago and find a discussion of many of the tenets of what we now refer to as CRM, albeit not particularly integrated or cross-functional in scope. What has changed in the environment to allow for the more integrated approach to customers represented by modern CRM is the technology. More sophisticated approaches to data management are a key enablement of CRM. Yet, it is a serious mistake to consider CRM as mere software. In fact, many firms are struggling with their CRM initiatives precisely because they could have bought the sophisticated software, but do not have the culture, structure, leadership, or internal technical expertise for the effective implementation of the strategy. When firms initiate a CRM process, they often realize just how much potentially useful customer information ends up failing through the cracks, and loss of information means loss profit. Sometimes, it's almost shocking to see the number of small-to medium-sized companies in Nigeria that do not realize that customer information is their most valuable asset and do not have any control over its use. Again, when CRM solutions are implemented, do salespeople sometimes less than fully embrace them or learn to manage the customer information? Should not firms assume a sales person would be eager for performance? Certainly, the answer to why some systems are suboptimized could lie with technology aversion, but perhaps a larger issue could also be that CRM systems is selling-style insensitive.

Could this mean that firms have the process properly modelled but ignore the behavioural considerations of the very people responsible for their furtive deployment – the salesforce. By super imposing a foreign selling style on a successful sales person, the system could disarm them of a significant course of the industry. Hence, the need of this study for sales managers to know some proactive steps to prevent an out-and-out CRM failure, as management

could be clueless to the whole thing. Bottom line, they know that losing their selling identify to a CRM system will very quickly suboptimize the firms sales performance.

### **Theoretical Framework**

The shift away from transaction-based marketing which focuses on short-term, single exchange, to customer–focused relationship marketing is one of the most important trends in pharmaceutical and health care marketing today. Companies recognize that they cannot grow simply by identifying and attracting new customers; to succeed, they must build loyal, mutually beneficial relationships with existing customers, suppliers, distributors, and employees. This strategy benefits the bottom line because retaining customers costs much less than acquiring new ones. Building and managing long-term relationships between buyers and sellers is the hallmark of relationship marketing in the pharmaceutical and health care industry in Nigeria. Relationship marketing is the development, growth and maintenance of cost-effective, high-value relationships with individual drug customers, suppliers, distributors, retailers, and other partners for mutual benefits over time. Recently, emerging from and closely linked to relationship marketing in this industry is Customer Relationship Management (CRM). This is the combination of strategies and tools that drive relationship programs, reorienting the entire organization to a concentrated focus on satisfying drug customers. CRM leverages technology as a means to manage customer relationships and to integrate all stakeholders into a company’s product design and development, manufacturing, marketing, sales, and customer service processes (Boone and Kurtz, 2004: 164-187).

CRM represents a shift in thinking for everyone involved with the pharmaceutical company—from the CEO down through and encompassing all other key stakeholders, including suppliers, dealers, and other partners. All recognize that solid customer relations are fostered by similarly strong relationships with other major stakeholders. However, the principles of personal selling as just described are transaction oriented – their aim is to help salespeople close a specific sale with a customer. But in many cases, the company is not seeking simply a sale: it has targeted a major customer that it would like to win and keep. The company would like to show that it has the capabilities to serve the customer over the long haul in a mutually profitable relationship. The salesforce usually plays an important role in building and managing customer relationships. Today’s large customers favour suppliers who can sell and deliver a coordinated set of products and services to many locations and who can work closely with customer teams to improve products and processes. For these customers, the first sale is only the beginning of the relationship. Unfortunately, some pharmaceutical companies ignore these new realities. They sale their products through separate salesforces, each working independently to close sales. Their technical people may not be willing to lend time to educate a customer. Their engineering design and manufacturing people may have the attitude that their job only is to make good products and the salesperson’s to sell them to customers. Their salespeople focus on pushing products toward customers rather than listening to customers and providing solutions. But other pharmaceutical companies, such as those in North America, Great Britain and Western Europe however, recognize that winning and keeping accounts requires more than making good products and directing the salesforce to close lots of sales. It requires listening to customers, understanding their needs and carefully coordinating the whole company’s efforts to create customer value and to build lasting relationships with important customers. Salespeople constitute an important link within a firm since they help translate sales and marketing strategy into effective implementation. Therefore, studies that investigate the activities and attitudes of the salespeople in Nigeria can provide sales management with important insights and contribute towards filling an important gap in the literature.

According to Pullins (2001: 403-413), companies that implement a CRM system adhere to a *customer-centric* focus or model. Customer-centric is an internal management philosophy similar to the marketing concept. Under this philosophy, the company customizes its product and service offerings based on data generated through interactions between the customer and the company. This philosophy transcends all functional areas of the business (production, operations, accounting, etc) producing an internal system where all decisions and actions of the company are a direct result of customer information. A customer-centric company builds its system on what satisfies and retains valuable customers while learning those factors that build long-lasting relations with those customers. CRM is a company-wide process that focuses on learning, managing customer knowledge and empowerment. The interaction between the customer and the organization is the foundation on which a CRM system is built. Only through effective interactions can organizations learn about the expectations of their customers, generate and manage knowledge about

them, negotiate mutually satisfying commitments, and build long-term relationships. Figure 1 illustrates the customer-centric approach for managing customer interactions. Following a customer-centric approach, an interaction can occur through a formal communication channel such as a phone, or salesperson; through a previous relationship a customer has had with the organization such as a past purchase or a response to a marketing research request or through some current transaction by the customer such as an actual product purchase, a request for repair service, or a response to a coupon offer. In short, any activity a customer has with an organization, either directly or indirectly, constitutes an interaction.

According to Lee and Aaker (2004: 205-218), companies that effectively manage customer interactions recognize that customers provide data to the organization that affect a wide variety of internal and external company touch points. In CRM system, *touch points* are those areas in a business where customer data are gathered and used to guide and direct the decision making within that business unit. Touch points can be both internal and external to the company. External touch points might include a customer registering for some particular service, a customer communicating with customer service for product information, a customer completing and returning the warranty information card for a product, or a customer talking with salespeople, delivery personnel, and product installers. Data gathered at these external touch points, once interpreted, provide information that affects internal touch points. An extremely common and almost standard touch point is the knowledge centre. A *knowledge Centre* (call center) is an organization's internal operational component that manages and fulfils customer requests. It is the logistical system that reacts to, monitors, and controls the interaction between the customer and the organization. The knowledge center is responsible for obtaining customer information, evaluating the information, and directing the information to the appropriate department (touch point) within the company.



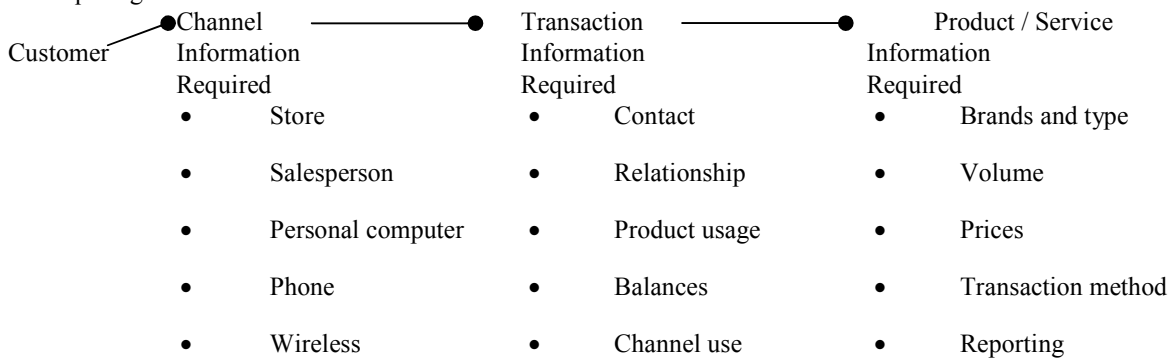
Figure 1: Customer-centric Approach for Managing Customer Interactions  
Source: Lamb, C., Hair, J. and McDaniel, C. (2004) *Marketing*, Mason: Thomson Learning.

A knowledge center is a passive means of managing customer interactions because the customer must call to initiate the interaction. Companies themselves must also generate customer interactions, but doing so is becoming increasingly difficult. Consumers are often bombarded with unsolicited mailers and surveys that are sometimes viewed as intrusive. In these cases, consumers are more likely to refuse an opportunity for interaction than to accept. The rising privacy concerns are forcing companies to rethink their approaches to generating customer interactions. In a CRM system, the objective is to obtain this information in a nonintrusive manner and to allow customers to freely relay information when they want to communicate it, not when the company wants it. Customer-centric organizations are implementing new and unique interactions specifically for this purpose such as web-based interactions, point-of-sale interactions, and transaction-based interactions. E-mail addresses and web sites are allowing customers to communicate with companies on their own terms. Instead of wasting time with phone numbers and mail surveys, companies are beginning to publicize their web sites as the first touch point for customer interactions. Web users can purchase products, make reservations, input preferential data, and comment on the organization's services. The data from these *web-based interactions* are then captured at the knowledge center,

compiled, and used to segment customers, refine marketing efforts, develop new products, and deliver a degree of individual customization to improve customer relationships. When customers log on to Drug web site, for example, their queries are recorded and tracked. From that initial touch point, every time they enter the site, their preferences are shown first. If they purchased any drug in the past, the site will inform them of any new product from the company. Similarly, if a customer requests a product by a particular company without making a purchase, the customer will still be informed on a subsequent visit of the new product the company has for sale (Maignan and Ferrel, 2004: 3-19).

Another method of generating customer interactions is through *point-of-sale interaction* in stores or at informational kiosks. Many point-of-sale software packages now allow customers to willingly reveal information about themselves without feeling violated. The information is then used in two ways: for marketing and merchandising activities and for accurately identifying the store's best customers and types of inventory they buy. The data collected at point-of-sale interactions are also used to increase customer satisfaction through the development of in-store services and customer recognition promotions. *Transaction-based interactions* differ from other interactions in that they focus on the exchange of information at the point of actual transaction. Through the use of optical scanning technology and product bar codes, in conjunction with the payment method used by the customer (credit card check), retailers can create parallel streams of information on each individual customer. Once a credit card is swiped (or a check is processed for bank approval), two major streams of information are produced. First, optical scanning and bar coding allow retailers to capture information about which products the customer purchased and in what quantity. Second, by swiping a credit card or processing a bank check, the retailer can obtain all information contained in the customer's credit card file or checking account file. Thus the retailer obtains information on both the customer's purchases and the customer's profile. The two streams of information can then be merged at the point of transaction and used in the retailer's knowledge center. To boost their data-collection capabilities, many retailers are offering customers a visa credit card positioned as a source of convenience for the customer. The store also benefit, however (Dixon, Spiro and Jamil, 2001: 64-78).

**Acquiring and Capturing Customer Data:** Vast amounts of data can be obtained from the interactions between an organization and its customers. Therefore, in a CRM system, the issue is not how much data can be obtained, but rather what types of data should be acquired and how they can be effectively be used for relationship enhancement. Thus, before reviewing the types of data to collect, one must understand how the data will be used in the CRM system. The guidelines for a CRM system include several group rules regarding customer data: (i) the customer, as represented by the information obtained via the interaction, takes center stage in the organization; (ii) customer information must be centralized so that a single definitive source is established, typically within the knowledge center; (iii) information is retained beyond the initial contact with the customer and accumulated over the customer's entire life span with the organization; (iv) information must define the product and services the customer desires, and services, as well as contact methods for future interaction (Lamb, Hair and McDaniel, 2004: 650-652). These CRM guidelines suggest that specific data about customers be collected via interactions and then, once collected be used in a capacity that will foster future relationships throughout the entire organization. Figure 1 illustrates how these guidelines operate regarding the collection of customer data. The channel, the transaction, and the product or service purchased, all constitutes external touch points between a customer and an organization that provide the opportunity for acquiring data from the customer.



- Transaction Pattern
- Preference Profile
- Lifestyle
- Culture
- Life stage
- Profitability
- Risk profile
- Desirability
- Loyalty profile

*Figure 2: Key External Touch Points and Customer Information Requirements in the CRM System.*

*Source:* Colgale, M.R. and Danaher, P.J. (2000) "Implementing a customer Relationship strategy: The Asymmetric Impact of Poor Versus Excellent Execution" *Journal of the marketing science*, 28 (Summer): 375-387.

Once customer data is collected, the question of who owns that data collected becomes extremely salient. The traditional approach for acquiring data from customers is through channels. A *Channel* is a medium of communication through which the customer interacts with a business at an external touch point. Channels include store visits, conversations with salespeople, interactions via the web, traditional phone conversations, and wireless communications such as cell phone conversations and satellite communications. What is important is the method of communication used by the customer and not the data that can be collected from the channel. In a CRM system, channel interactions are viewed as prime information sources based on the channel selected to initiate the interaction, rather than on the data acquired (Smidts, Pruyn and Riel, 2001: 1051-1062).

A *transaction*, when viewed as an interaction between the company and the customer, presents the opportunity to collect vast amounts of data about the customer. The company can obtain not only simple contact (name, address, phone number), but also data pertaining to the customer's current relationship with the organization – past purchase history, quantity and frequency of purchases, average amount spent on purchases, sensitivity to promotional activities, and so forth. From the transaction, product usage information can be obtained along with the customer's preferred channel of contact with the company and preferred transaction pattern – payment by cheque, cash, credit card, or debit card. Many companies utilizing a CRM system also view the transaction as an opportunity to collect behavioural data on customers. By examining patterns or historical data relating to a customer's transaction, the company can also obtain information about the customer's profitability, risk, desirability, and loyalty. Profitability is the actual amount a particular customer spends on a company's product over a specific time period. Risk refers to the amount of investment required to retain a customer. The higher the investment required to retain a customer, the higher the risk. Customers who, based on a pattern of current and past transactions, exhibit low risk and high profitability to the organization are highly desirable, as are customers who demonstrate high levels of loyalty by purchasing the same brand consistently over time. The company will seek to retain these customers but may choose to make an effort to retain these desirable customers who exhibit high risk and low profitability (Pratt and Rafaeli, 2001: 93-132).

The physical, as well as the psychological, consumption of the firm's product or service constitutes an additional external touch point for customer interaction. As an interaction point, it also represents an opportunity to acquire and capture customer data related to the consumption experience. The unique dimension of the product or service interaction is that it allows for the collection of customer data during the actual use of the product. As figure 2.9 indicates, key customer data that can be captured at this interaction include the various brands and product – types

(package variation, sizes, colours, etc) the customer consumers. The average length of time it takes to consume the product along with the volume consumed, the price paid, and the preferred transaction method can also be obtained (Kuhnem and Oyserman, 2002: 492-499). Even more important are data related to the performance of the product and the method customers use to report performance – related issues. Because the interaction is typically initiated by the customer, these data are extremely valuable for the organization. Customers may call in to a company's knowledge centre requesting information on product warranties, optional features, repair services, or installation requirements. Once these data are gathered and stored by the knowledge centre, they can be translated into critical information and disseminated across all areas of the company. It should be obvious at this point that a voluminous amount of information can be captured from one individual customer across several external touch points. Multiply this by the thousands of customers across all of the touch points (both internal and external) within the organization and the volume of data can rapidly become unmanageable for company personnel. The large volumes of data resulting from a CRM initiative can be managed effectively only through the use of technology (Mussweiler and Strack, 2000: 23).

### **Research Method**

Since the study is concerned with specific predictions, narrations of facts and characteristics, a descriptive/diagnostic design was adopted. The research design ensured enough provision for protection against bias and maximized reliability with due concern for the economical completion of the research study. Both secondary and primary sources were employed to gather information for the study. Secondary data were sourced from both published and unpublished data. The published data were collected through: (i) various publications of the federal, state and local governments; (ii) various publications of foreign governments and of international bodies and their subsidiary organizations; (iii) technical and trade journals; (iv) books, magazines and newspapers; (v) reports and publications of various associations connected with business and industry, banks, stock exchanges etc., (vi) reports prepared by research scholars, universities, economists, etc. in different fields; and (vii) public records and statistics, historical documents, and other sources of published information.

Questionnaire was the principal source of the primary data; however, interview served as complementary. In designing the data-collection procedure, adequate safeguards against bias and unreliability was ensured. Questions were well examined against ambiguity; interviewers were instructed not to express their own opinion. They were trained so that they will uniformly record a given item of response. The data collection instruments were pre-tested before they were finally used for the study. To ensure that the data obtained were free from errors, the researcher closely supervised the research assistants as they collect and record information. Also, checks were set up to ensure that the data collecting assistants perform their duty honesty and without prejudice. A miniature trial survey of the study was carried out in Lagos metropolis to test the validity, reliability and practicality of the research instruments and operations. Twenty *drug reps* and ten senior-level executives of the available *Big Pharmas* were used for the test-run. The pre-test provided the researcher the good ground to train the research assistants for the main inquiry. It also provided the researcher with the opportunity to come out with the final version of the research instruments. The pilot survey enabled the investigator to estimate the cost component of the main study.

### **Results and Discussion**

The first objective of this study was to examine if the elements of the salesforce motivation mix are effectively implemented in the pharmaceutical and health care industry in Nigeria. It was hypothesized that elements of salesfore motivation are not effectively implemented in the pharmaceutical and health care industry in Nigeria. In order to get this information, the respondents were asked to rate the following motivational tools as contained in table 1 based on the extent in which it is used by their organizations to motivate its salesforce, in a scale of answers from 5 = very high to 1 = Not at all. The results obtained were judged base on the table of means of 3 as shown in table 1.

**Table 1: Descriptive Statistics Showing Means Responses of Respondents on the Extent of Motivational Tool Usage in the Organizations.**

S/N	Elements	Total	Minimum	Maximum	Mean	Std. Dev.	Remark
1.	Salary compensation	178	1	5	3.03	1.223	High
2.	Commission incentives	178	1	4	2.24	.832	Low
3.	Bonus Payments	178	1	4	2.26	.782	Low
4.	Fringe Benefits	178	1	4	2.16	.711	Low
5.	Recognition Awards, such as pins, trophies, certificates	178	1	5	1.80	.684	very Low
6.	opportunities for promotion and Advancement	178	1	5	2.14	.937	Low
7.	Participative Goal setting, including MBO	178	1	5	2.42	.893	Low
8.	Praise and Encouragement from Management	178	1	5	2.36	.777	Low
9.	Job Enrichment, such as greater responsibility, authority, and control	178	1	5	2.16	.730	Low
10.	Sales Training programs, including ICT.	178	1	4	2.08	.637	Low
11.	Sales Planning Elements, including forecasts, budgets, quotas and territories	178	1	5	2.66	1.002	Low
12.	Sales Contests Programs that use prizes and awards for short-term incentives	178	1	5	3.08	1.134	High
13.	Evaluation of Sales person's Performance using output factors, such as sales volume, Gross Margin, and Customer Relation's.	178	1	4	3.08	1.084	High
14	Management Leadership Style, such as organizational structure and communication channel	178	1	5	2.97	1.134	Low
15	Adequate Salary gives a Salesperson degree of effectiveness	178	1	5	4.13	1.511	very High
16	Msecb	178	1.00	4.43	2.4567	.68949	

Source: Analysis of Field Data, 2010.

Data in table 1 shows the descriptive statistics indicating the mean responses of respondents on the extent in which the motivational tool is used by the organizations to motivate its salesforce. The results were judged by means of 3 as contained in table 1. The findings suggest that the extent of motivational tool Usage in the industry is low. This implies that the salesforce in the industry are not adequately motivated. The information in table 1 suggests that management policies and programs concerning higher-order rewards, such as recognition and promotion, can influence the desirability of such rewards in the salesperson's mind. For these rewards, there is likely to be a curvilinear relationship between the perceived likelihood of receiving them and the salesperson's valence for them. For example, if a large proportion of the salesforce receives small formal recognition each year, salespeople may feel that such recognition is too common, too easy to obtain, and not worth much. If very few members receive formal recognition, however, salespeople may feel that it is not a very attractive or motivating reward simply because the odds of attaining it are so low. The same curvilinear relationship is likely to exist between the proportion of salespeople promoted into management each year (the opportunity rate) and salespeople's valence for promotion.

A company's policies on the kinds and amounts of financial compensation paid to its salespeople are likely to affect their motivation. As seen, when a person's lower-order needs are satisfied, they become less important and the individual's valence for rewards that satisfy such needs - such as pay and job security - is reduced. This suggests that in firms where the current financial compensation (compensation rate) is relatively high, salespeople will be satisfied with their attainment of lower-order rewards. They will have lower valences for more of those rewards than people in firms where compensation is lower. The range of financial rewards currently received by members of a salesforce also, might affect their valences for more financial rewards. If some salespeople receive much money than the

average, many others may feel underpaid and have high valances for more money. The ratio of the total financial compensation of the highest paid salesperson to that of the average in a salesforce is the earning opportunity ratio. The higher this ratio is within a company, the higher the average salesperson's valence for pay is likely to be.

Finally, the kind of reward mix offered by the firm is a factor. Reward mix is the relative emphasis placed on salary versus commissions or other incentive pay and non-financial rewards. It is likely to influence the salesperson's instrumentality estimates and help determine which job activities and types of performance will receive the greatest effort from that salesperson. The amount of effort the salesperson desires to expend on each activity or task associated with the job – the individual's motivation – can strongly influence his or her job performance. The question from a sales manager's viewpoint is how to design an effective reward mix for directing the salesforce's efforts toward the activities, such as CRM, felt to be most important to the overall success of the firm's sales program.

The second objective of this study was to determine if there is any relationship between the salesforce motivation and the effectiveness of CRM strategy implementation in the pharmaceutical and health care industry in Nigeria. It was hypothesized that there is no significant relationship between salesforce motivation and effective implementation of a CRM strategy in the pharmaceutical and health care industry in Nigeria. In order to get this information, the respondents were asked to rate the following statement as contained in table 2, that best expresses the extent to which they agree or disagree with the opinion in a scale of answers from 5 = definitely agree to 1 = definitely disagree. The results obtained were judged by means of 3 as shown in table 2.

**Table 2: Motivational tools Usage and Implementation of a CRM Strategy in the Organizations**

Question Number	Feature	Responses	Frequency	Percentage	Total
1.	Adequate salary gives a salesperson a considerable degree of effectiveness in achieving marketing objectives	Definitely Disagree	-	-	178(100%)
		Generally Disagree	-	-	
		Somewhat Agree	27	15.2	
		Generally Agree	32	18.0	
		Definitely Agree	119	66.9	
2.	Commission incentive is a strong motivating factor to get the salespeople to work hard in acquiring and capturing customer data based on interactions.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	2	1.1	
		Somewhat Agree	32	18.0	
		Generally Agree	66	37.1	
		Definitely Agree	78	43.8	
3.	Tying bonus Payments to the accomplishment of sales goal help the salesforce focus on long-term customer satisfaction.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	2	1.1	
		Somewhat Agree	32	18.0	
		Generally Agree	75	42.1	
		Definitely Agree	69	38.8	
4.	Providing fringe benefits work to increase the effectiveness of the salespeople to integrate customer focus across the organization.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	-	-	
		Somewhat Agree	32	18.0	
		Generally Agree	21	11.8	
		Definitely Agree	125	70.2	
5.	Special recognition awards encourage salespeople to achieve such specific goals as getting new accounts, selling specific products or relieving	Definitely Disagree	-	-	178(100%)
		Generally Disagree	-	-	
		Somewhat Agree	32	18.0	
		Generally Agree	44	24.7	
		Definitely Agree	102	57.3	



	certain overstocked inventory positions.				
6.	Opportunity for promotion and advancement move salespeople to closely monitor and controls the interaction between customers and the organization	Definitely Disagree	-	-	178(100%)
		Generally Disagree	-	-	
		Somewhat Agree	32	18.0	
		Generally Agree	81	45.5	
		Definitely Agree	65	36.5	
7.	Involvement of the salespeople in the CRM planning process from the beginning ensures their full interest and commitment integration in the system.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	2	1.1	
		Somewhat Agree	33	18.5	
		Generally Agree	49	27.5	
		Definitely Agree	94	52.8	
8.	Praise and Encouragement from the management make salespeople work more hours in changing the firm to a new focus on customers.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	2	1.1	
		Somewhat Agree	33	18.5	
		Generally Agree	38	21.3	
		Definitely Agree	105	59.0	
9.	Increasing the level of responsibility, authority and control over jobs, help salespeople to solve customer's problem promptly.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	-	-	
		Somewhat Agree	29	16.3	
		Generally Agree	33	18.5	
		Definitely Agree	116	65.2	
10.	ICT training programs for salespeople enhance the use of technology to store, leverage and disseminate customer information through the organization.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	-	-	
		Somewhat Agree	33	18.5	
		Generally Agree	37	20.8	
		Definitely Agree	108	60.7	
11.	Forecasts, budgets, quotas and territories ensures that salespeople focus on highly defined and precise customer groups.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	-	-	
		Somewhat Agree	33	18.5	
		Generally Agree	48	27.0	
		Definitely Agree	97	54.5	
12.	Salespeople tend to be motivated if they believe that their effort to implement a CRM strategy will bring results, results will be rewarded and the rewards are valued.	Definitely Disagree	-	-	178(100%)
		Generally Disagree	-	-	
		Somewhat Agree	9	5.1	
		Generally Agree	33	18.5	
		Definitely Agree	136	76.4	

Source: Analysis of Field Data, 2010.

The information in table 2 indicates there is a relationship between the salesforce motivation and the effectiveness of a CRM strategy implementation in the pharmaceutical and health care industry in Nigeria. This suggests that when attempting to motivate salespeople, sales managers should be concerned with two aspects of their subordinates' expectancy perceptions: magnitude and accuracy. The magnitude of a salesperson's expectancy perception indicates

the degree to which that person believes expending effort on job activities will influence him or her ultimate job performance. Other things being equal, the larger a salesperson's expectancy perceptions, the more willing he or she will be to devote effort to the job in hopes of bettering performance. Accuracy of a salesperson's expectancy perceptions refers to how clearly he or she understands the relationship between effort expended on a task and the resulting achievement on some dimension. When salespeople's expectancies are inaccurate, they are likely to misallocate job efforts. They spend too much time and energy on activities that have little impact on performance and not enough on activities with a great impact. Therefore, since personal and organizational characteristics affect the magnitude and accuracy of salespeople's expectancy perceptions, managers must take these factors into account when deciding on supervisory policies, compensation, and incentive plans so that their subordinates' expectancies will be as large and as accurate as possible.

Like expectancies, instrumentalities are probability estimates made by the salesperson. They are the individual's perceptions of the link between job performance and various rewards. Specifically, an instrumentality is a salesperson's estimate of the probability that an improvement in performance on some dimension will lead to a specific increase in the amount of a particular reward. The reward may be more pay, winning a sales contest, or promotion to a better territory. As with expectancies, sales managers should be concerned with both the magnitude and the accuracy of their subordinates' instrumentalities. When the magnitude of a salesperson's instrumentality estimates is relatively large, he or she believes there is a high probability that improved performance will lead to more rewards. Consequently, he or she will be more willing to expend the effort necessary to achieve better performance.

The true link between performance and rewards in a firm are determined by management policies about how sales performance is evaluated and what rewards are conferred for various levels of performance. These policies may be inaccurately perceived by the salespeople. As a result, salespeople may concentrate on improving their performance in areas that are relatively unimportant to management and they ultimately may become disillusioned with their ability to attain desired rewards. Besides the firm's compensation policies, other organizational factors and the personal characteristics of salespeople themselves can influence both the magnitude and the accuracy of their instrumentality estimate. These factors and their managerial implications should be explored for effective implementation of a CRM strategy in the pharmaceutical and health care industry in Nigeria. Valences are the salesperson's perceptions of the desirability of receiving increased amounts of rewards he or she might attain as a result of improved performance. One question about valences that has always interested sales managers is whether there are consistent preferences among salespeople for specific kinds of rewards. Are some rewards consistently valued more highly than others? Historically, many sales managers and most authors of books and articles on motivating salespeople have assumed that monetary rewards are the most highly valued and motivating rewards. They feel that recognition and other psychological rewards are less valued and serve only to spur additional sales effort under certain circumstances. However, few empirical studies have been conducted to test whether salespeople typically have higher valences for more pay than for other rewards. Hence, the assumption has been based largely on the perceptions of sales managers rather than on any evidence obtained from salespeople themselves.

Surveys conducted among employees in other occupations often find that increased pay is not always the most highly desired reward. For example, a recent review of 43 surveys of non-sales workers (Uduji, 2006:126-132), suggested the importance of more pay was rated relative to other rewards. Pay was ranked most important in only 25 percent of these studies, and its average importance across all studies was third. In view of this evidence, it shows that salespeople do not desire money more than other rewards, as they are not different from workers in other jobs. An additional study (Nnabuko and Uduji, 2008:146-184), shed more light on this finding when a group of 481 salespeople in two large manufacturing organizations ranked seven different rewards according to their relative attractiveness and rated them on a 100-point scale. The result showed that more pay was not universally seen as the most desirable reward by all the salespeople in the study. Although more pay was by far the most attractive reward for salespeople in one company, it ranked only third behind *opportunities for personal growth* and *sense of accomplishment* for those in the other company. Why did the salespeople in one company value a pay increase more than those in the other? It is possible that the salespeople in one company had a higher valence for more pay than the others, because they were less satisfied with the financial compensation they were currently receiving. In other words, there are no universal statements to be made about what kinds of rewards are most desired by salespeople and most effective for motivating them. Salespeople's valences for rewards are likely to be influenced by their

satisfaction with the rewards they are currently receiving. Their satisfaction with current rewards, in turn, is influenced by their personal characteristics and by the compensation policies and management practices of their firm.

### **Summary of Major Findings**

The major findings of the study are as follows:

1. Sales people are not often involved in the CRM planning process and their interest also are not fully integrated into the system as an alignment of internal organizational performance management.
2. Salary compensation commission incentive, bonus payment, fringe benefits, recognition and awards for outstanding performance, opportunity for promotion and advancement are the major factors that can be used by firms for the behavioural considerations of the very people responsible for the CRM frontline deployment-the salesforce.
3. A close relationship exists between a company's CRM effective implementation and its salesforce compensation plan, the compensation plan has a direct bearing on the successful implementation of the CRM strategy.
4. Adequate authorities are not delegated to sales people to solve some customers problem quickly, and usually by the first person that the customer notifies regarding the problem
5. There are few points at which a customer and the company's sales people exchange information to develop learning relationships.
6. There are limited areas of business available for the sales people to gather customers' data that can be used to guide and direct the decision making in the organizations.

### **Conclusions**

1. In alignment of internal organizational performance management issues, salary compensation, commission incentives, bonus payment, fringe benefits, recognition of awards for outstanding performance, opportunity for promotion and advancement are the major factors that accounts for salesperson motivation. The motivation programs are necessary for the behavior considerations of the frontline deployment in the sales force. But a good motivation will not compensate for poor recruiting, selection, and training in the organization.
2. A close relationship exists between a company's CRM implementation and its sales force compensation plan. The compensation plan has a direct bearing on the successful implementation of the CRM strategic plan. A straight salary compensation plan would help to implement customer relationships while a stronger incentive, perhaps a larger commission incentive would be necessary for exploring and expanding the relationship managements.
3. Salespeople thrive on challenge. One way managers can challenge sales people for effective implementation of a CRM strategy is by giving them greater responsibility, authority, and control over their job-related CRM tasks. Doing the same things over and over again quickly becomes boring to a sales person who is seeking challenge. If managers vary some aspects of the CRM job, this can provide a stimulus for increased levels of motivation. Sales people want to feel that they are performing a meaningful task that will make a significant contribution to their companies and to those around them. Managers must make sure that each sales person understands the importance of his or her contribution to the company performance.

### **Recommendations**

The following steps are recommended to sales managers to prevent a sub optimized sales force performance in the implementation of a CRM strategy.

1. Sales managers should first design a reward structure in which greater rewards are tied to better implementation of a CRM performance. The sales force performance evaluation process should be linked to the new system, and sales managers should make every effort to keep the process as objectives as possible.
2. The goals of a CRM strategy should be clear, concise and measurable. Every sales person should be made aware of the criteria involved in the process that will be used to evaluate them on the CRM implementation. Sales managers should also work constantly with each sales person on an individual basis to make sure that he or she has the accurate understanding about what is expected and what the rewards look like.
3. Sales managers should use both the financial and non financial rewards of the firm to convince sales people that the rewards for better performance are worth the extra effort. This implies that management should offer the rewards that are valued and also attempt to sell the worth of these rewards to the sales force who believe that CRM performance will lead to greater rewards.

4. Sales people should be involved in the CRM planning process from day one to ensure that their interests are fully integrated into the system. By superimposing a foreign selling style on successful sales persons, the system disarms them of a significant course of competitive advantage in marketing place.

#### References

- Boone, L. and Kurtz, D. (2004) *Contemporary Marketing*, Mason: Thomas Learning.
- Colgate, M.R. and Danaher, P.J. (2000) "Implementing a Customer Relationship Strategy: The Asymmetric Impact of Poor Versus Excellent Execution" *Journal of the Academy of Marketing Science*, 28 (Summer): 375-387.
- Dixon, A.L., Spiro, R.L. and Jamil, M. (2001) "An Investigation into the Successful and Unsuccessful Sales calls: Measuring Salesperson Attribution and Behavioural Intentions" *Journal of Marketing*, 65 (July): 64-78.
- Kuhnem, U. and Oyserman, D. (2002) "Thinking About the self Influences Thinking in General: Cognitive Consequences of Salient self-concept" *Journal of Experimental Social Psychology*, 38(5): 492-499.
- Lamb, C., Hair, J. and McDaniel, C. (2004) *Marketing*, Mason: Thomson Learning.
- Lee, A.Y. and Aaker, J.L. (2004) "Bringing the Frame into Focus: The Influence of Regulatory Fit on Processing Fluency and Persuasion" *Journal of Personality and Social Psychology*, 86 (February): 205-218.
- Maignan, I. and Ferrell, O.C. (2004) "Corporate Social Responsibility and Marketing: An Integrative Framework" *Journal of the Academy of Marketing Science*, 32 (Winter): 3-19.
- Mussweiler, T. and Strack, F. (2000) "The Relative Self Information and Judgmental Consequences of Comparative Self-Evaluation" *Journal of Personality and Social Psychology*, 79(July): 23-38.
- Nnabuko, J.O and Uduji J.I (2008) *Strategic Salesforce Management*, Enugu: New Generation Books.
- Pratt, M.G. and Rafaeli, A. (2001) "Symbols and Relating Work in Organizations" *Research in Organizational Behaviour*, 23: 93-132.
- Pullins, E.B. (2001) "An Exploratory Investigation of the Relationship of Salesforce Compensation and Intrinsic Motivation" *Industrial Marketing Management*, 30 (July): 403-413.
- Smidts, A. Pruyn, T.H. and Riel, M. (2001) "The Impact of Employee Communication and Perceived External Prestige on Organizational Identification" *Academy of Management Journal*, 49(5): 1051-1062.
- Uduji J.I. (2006) *Management of Human Resources for Health*, Enugu: New Generation Books.

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

## CALL FOR PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There's no deadline for submission. **Prospective authors of IISTE journals can find the submission instruction on the following page:** <http://www.iiste.org/Journals/>

The IISTE editorial team promises to review and publish all the qualified submissions in a **fast** manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

### IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

