Pad Up the Sales Force: The Medium’s Impact on Presentation Effectiveness

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Abstract

This single case study explores the iPad’s value as sales force presentation tool in the Prestige Fragrances division at the consumer goods company Procter & Gamble. Quantitative data report a sales increase with three percentage points as a result of utilizing the device and qualitative findings reveal three key value constructs that together augments the sales presentation and drives its effectiveness.

First, the medium in itself is the message. Media-context and signaling-effects cause customers to perceive the company as innovative and professional. It also strengthens the perception of the company as being a market leader. Secondly, the medium’s connectivity, speed, apps, and equity drives sales force motivation which is reflected in the selling effort. Finally, the use of multimedia and vivid content increase customers’ attention and interest, makes the presentation more emotional and memorable, and enhances customers’ holistic experience of the meeting.

Although empirical findings also report time savings of 30 minutes per day as well as drastic cost savings through reduced printing, the conclusion of the study is that managers planning to implement sales force technology must shift their focus from efficiency impact solely to also measure impact on sales force effectiveness.

Keywords: iPad, PC tablets, Marketing signals, Media-context effects, Experiential marketing, Sales force motivation, Technology Acceptance Model, Sales presentations, Sales force automation, Digital sales aid, business apps.
Foreword

This report outlines the result of a thesis project and internship carried out at the consumer goods company Procter & Gamble (P&G). I would like to give special thanks to...

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All participants in the test group who stood up with all my questions and provided me with key insights for this thesis
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Chapter 1

Introduction

As products and services become commoditized, rivals with increasingly undifferentiated offerings must find new ways to communicate effectively to capture customers’ attention. If you manage to get 10 minutes with that physician, store manager, or whoever your customer might be, you can be rest assured that you will not get your message through by simply stating your offering’s benefits. Most B-to-B marketers recognize this and realize that they must bypass traditional, functional, aspects of the message to communicate effectively (Kotler and Armstrong, 2008; Söderlund, 2003) (Pine and Gilmore, 1998) (Dahlén, 2005; Dahlén et al., 2008; Kirmani and Rao, 2000).

The progression in economic value, accelerated by the tougher competitive climate, calls for new tools that can help drive sales force effectiveness and efficiency. Technological advancements have become a big part of the selling and sales management process. In fact, Sales Force Automation (SFA) and Customer Relationship Management (CRM) software are today standards on any sales representative’s laptop. At the same time, the release of the iPad, followed by a long tail of devices, has reignited the discussion of the suitability for tablets in enterprise use. However, a recent report from Dimensional Research (2011) shows that among the companies who have already adopted the iPad, less than 50 percent have clear strategy for how to implement it in their business. On the other hand, those who had a strategy that was application driven reported SFA applications to be of highest demand.

It seems that the iPad has found its place in the corporate world—beyond the executives meeting room. As mobile phones once transformed how sales representatives work, the sales force is now entering a new technological era. A time where SFA, CRM, and presentation material converge on one device. A device which, this time, not only drives efficiency but also enables powerful sales presentations which in turn drives effectiveness.
CHAPTER 1. INTRODUCTION

1.1 Problem Background

Bob McDonald, CEO of P&G, recently stated that he wants P&G to be the “most digitally enabled company in the world” (ProcterGamble1837, 2010). The “Going Digital” program at P&G is one of the efforts in place with the aim to reach this target. This program spans across several business areas where one key focus for the program is on digitization of in-store processes.

I joined P&G for a five month long internship project focused on digitization of sales force in-store processes. More precisely, the objective was to evaluate the use of the iPad as sales force presentation tool in P&G’s Prestige Fragrances sales division in Germany.

Leading the implementation of this iPad pilot provided me with great insights into how digitization can transform the sales meeting—the key business driver for many companies. My experience from this internship together with questionnaires, focus groups and interviews carried out during the project lays the foundation for this report. Together with secondary data from other iPad implementation cases and relevant theoretical frameworks, this report should be relevant for any manager who is considering replacing their existing sales force’s presentation solution with the iPad (or another PC tablet device).

In spite of the buzz created by the release of the iPad and the promising claims from corporate iPad implementations (Neumann, 2011; Apple, 2011; Zmuda, 2010; Tolve, 2010), this specific area lacks data that proves these claims and research that explains how the iPad (or other PC tablets) may impact sales presentations.

1.2 Purpose and Research Questions

The primary purpose of this thesis is to explore how the iPad augments the sales presentation and thereby its effectiveness. The aim is to investigate the interplay of a set of previously unrelated factors as expressed by the following research questions:

1. What role does the use of an innovative medium—such as the iPad—play on customers’ perception of the company and message?

2. How does the device affect sales force motivation and satisfaction?

3. How does the use of multimedia and vivid content affect customers’ holistic experience of the presentation?

4. How do the innovative medium, sales force motivation, and the holistic experience affect each other?

The secondary purpose is to examine the efficiency impact PC tablets may have on a sales organization. That is, how it can simplify day-to-day work and how the investment can bring direct cost savings to the organization.
1.3 Delimitations

The study was conducted on a field based sales force who visits retail customers’ stores to, among several tasks, present new products to store managers. The sales force being studied operates in the fragrance market. Considering the specific category, some findings may be more relevant to the fragrances industry or other luxury brand industries.

Companies, including P&G, are increasingly pursuing device agnostic strategies to cater for market changes and allow for new innovation to be adopted. However, this report focus solely on the Apple iPad tablet rather than PC tablets in general. Although many of the findings can be generalized to other devices, some elements, such as Apple’s strong brand equity and “coolness factor”—which will be discussed later—cannot.

1.4 Intended Knowledge Contribution

This thesis enables marketers and companies to understand the effect of iPad based sales presentations. Managers planning to deploy new technology to their sales force should gain important insights from this thesis prior to deciding on a strategic design of their effort. In addition, this thesis adds to the research on three topics. First, on media-context effects with a study of innovative technology. That is, leveraging innovative technology (the iPad) to implicitly communicate the message. Second, to the marketing signaling literature by assessing signals of unobservable facts as a result of the sales forces’ use of innovative technology. Third, it adds to the research on the Technology Acceptance Model’s relationship with user satisfaction and motivation.

1.5 Definitions

The intent of this section is to clarify the terminology for common concepts in this report.

- **Effectiveness and Efficiency**: These two concepts are used throughout the report when discussing the value of the iPad. Effectiveness refers to the sales rep’s ability to sell. Key measure of effectiveness is sales. Efficiency, on the other hand, refers to how well optimized the sales rep’s work process is. Key measure is administrative time savings.

- **Field Account Manager (FAM)**: A field sales representative who works in the P&G Prestige sales force.

- **iPad Sales Aid**: An iPad with the apps and content, as described in section 2.2.4, installed.
• **Sales Force Automation (SFA):** A tool that assists sales representatives with routine tasks, allowing sales people to focus on relationship-oriented activities. In this report, this concept includes CRM and presentation material.

• **Sales Representative:** A field based sales person who visit customers on a regular basis. Also referred to as “sales rep” or sometimes “rep”.

### 1.6 Disposition

The report begins by motivating the scientific approach for the thesis followed by a description of the methods used to collect empirical evidence. The methodology chapter also includes an overview of the setting in which the empirical data was collected. This chapter is followed by a review of relevant literature. That is, the fundamentals of the selling process, existing literature on sales force technology, and a theoretical framework that covers relevant themes discovered during the course of the project. Equipped with knowledge about the scientific approach and necessary theory, empirical findings are presented in an analysis. The closing chapter contains a discussion of the implications of the findings as well as final conclusions and recommendations for future research.
Chapter 2

Methodology

This chapter describes the methodology used in this study. First, it motivates the use of the qualitative case study approach and how the approach is complemented with quantitative data. Second, it describes the setting in which the case study was conducted. Third, it discusses the use of multiple methods for collecting empirical data - questionnaires, focus group, interviews, observations and data. It concludes with a discussion of the quality of the research.

2.1 Case Study as Research Design

Social science research can be done in a variety of ways - including experiments, surveys, histories, analysis of archival information and case studies. Each strategy has specific advantages and disadvantages depending on a) the type of research question; b) the control an investigator has over behavioral events; and c) the focus on contemporary as opposed to historical phenomena (Yin, 2003). Yin (2003) suggests case studies as research approach when “how” or “why” questions are being posed, when investigators has little control over events and when the focus is on a contemporary phenomenon within some real-life context.

As presented in section 1.2, the primary question being posed in this thesis is:

To explore how the iPad augments the sales presentation and thereby its effectiveness.

As we will see when discussion personal selling theories in chapter 3, it is the interplay of several factors that make up a successful sales call. Hence, assessing the value of the iPad Sales Aid in an isolated, superficial, setting would not be an informative way of finding out how it creates value. The phenomenon has to be observed from a holistic perspective where the tool’s impact on censorial experiences, sales rep confidence, brand perception, presentation flow etc. all come in to play and complement the selling style of the sales rep. Again, this requires a natural setting in which the investigator has little control.

A single-case study approach was thus selected to answer the “how” question stated above. Although the case study approach typically is viewed as a qualita-
tive research design, it can be combined with what methods typically perceived as quantitative—surveys, data etc. (Bell, 1999). As will be described, such methods were also leveraged to build this case.

The case study approach also gives the researcher a far greater opportunity to delve into topics in more detail and discover things that might not have become apparent through more superficial research (Denscombe, 2007). This qualitative abductive approach allows the research to move forward by going back and forth between theory and empirical observations in order to establish a theoretical framework. Given that the themes of interest for the study were unknown at the beginning, this was also an essential requirement when selecting research design.

Finally, the case study approach encourages the use of several sources of data. As I had been given the opportunity to observe a team of sales representatives during five months and collect data using multiple methods, I found this valuable and hence appropriate to select this approach.

2.2 Empirical Setting

This section describes how and where the case study was conducted. That is, the organization, the test group, and the type of content the test group was provided with.

2.2.1 Case Study Organization

P&G is a Fortune 500 American multinational consumer goods company with 127,000 employees (P&G Website, 2011). P&G have 23 brands that generate more than one billion dollars in annual sales. Ariel, Duracell, Braun, Gillette, Wella, Head & Shoulders and Pampers—just to mention a few. The brands are divided into two broad categories - Beauty & Grooming and Household Care. The case study that lays the foundation for this thesis was carried out in the Beauty & Grooming category and, more precisely, in the Prestige Fragrances division. The test group in the study was part of the Prestige Fragrances sales function in Germany. The team in Germany is responsible for all P&G Prestige licenses. Licensed brands include Gucci, Hugo Boss, Dolce & Gabbana, Bruno Banani, and Christina Aguilera.

2.2.2 Test Group

As discussed, the focus for the case study was on if and how the iPad can add value to the sales force. The user group in the center of the study is therefore Field Account Managers (FAMs). More precisely, sales representatives who visit customers’ perfumeries on a regular basis. These users have two primary tasks. First, the sell-in and distribution of P&G brands and new initiatives. That is, the presentation of new products and promotions to store managers. In the fragrance category, store staff often recommend products to the shopper. It is thus important to give a powerful presentation to the store manager, and ideally also his staff, to
build product advocacy. Second, they are responsible for the in-store work—which includes permanent appearance of P&G brands, shelving, promotions, and window decorations. The in-store work, especially shelving, is also a key business driver in this category.

At the start of a new sales cycle, FAMs are typically provided with a printed sales folder which includes the presentation material for all initiatives. For the in-store work, FAMs receive a printed booklet with shelf layouts and guidelines. They travel a lot and spend much of their time in-store with the customer. They present initiatives to store managers during a limited time, on a limited space, inside the perfumery.

For the purpose of this case study, five FAMs, out of the 32 operating in German, were selected to be part of the test group. Some additional users, in other roles, were also included in the group to assist with training, adoption and content evaluation. Table 2.1 lists the different roles included in the test. The test group was selected to match the population of the Prestige sales force in Germany. The following selection criteria were used when selecting the users:

- How technically savvy the user is
- Gender
- Geographical differences (one user from each Germany region was included)

<table>
<thead>
<tr>
<th>Role</th>
<th>Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Account Manager (sales rep)</td>
<td>5</td>
</tr>
<tr>
<td>Regional Account Manager (sales rep)</td>
<td>1</td>
</tr>
<tr>
<td>Unit Manger</td>
<td>1</td>
</tr>
<tr>
<td>Head quarter users</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 2.1. Case study test group users

The remaining 27 FAMs served as control group in order to benchmark results.

2.2.3 The iPad

As discussed, the release of the iPad has reignited the discussion on corporate use of PC tablets. The release has also led to that a range of new tablet devices have become available on the market. As the iPad receives a lot of attention in this report, this section outlines strengths and weaknesses with the device that are relevant for the sales force. This should also give better picture of why it was chosen for this case study in the first place. **Technical strengths** listed below are benefits in comparison to incumbent PC tablets and laptops.
• **Instant on**: The device can be switch on in a few seconds.
• **Battery life**: Batteries lasts for over a day—even when used extensively for sales presentations.
• **Weight**: It is much lighter than a laptop.
• **High quality screen**: The screen is intuitive to work with and allows for rich presentations.
• **Good speakers**: The speakers produce good enough sound quality and volume.
• **Connectivity**: Support for 3G network access and 3rd party apps allow for VPN connections to be setup.
• **Well designed**: It has an attractive design.

Apple has also received some critics for device limitations. Common **critique** are:

• **It is fragile**: The device requires a robust protective case to survive the active days of a sales rep.
• **No flash support**: It does not support Adobe flash content.
• **Poor camera**: The quality of the images taken with the iPad 2 is of poor quality.
• **Price**: It is considered an expensive tablet.
• **A consumer device**: Thus far, Apple have focused more on targeting the device to consumers and hence there are some limitations when it comes to corporate deployment. For example, excel macros are not supported.

There are also some **soft facts** to consider. First of all, **the iPad is cool and innovative**. Despite being technology, it does not communicate geekiness Snell (2009). The coolness value is also what Gap is leveraging with their new consumer app.

“The iPad will be a new cultural icon. And the way it allows people to engage, we didn’t want to be left out of that. It makes your brand modern.” Ivy Ross, Gap’s exec- VP marketing (Zmuda, 2010).

Secondly, **People love Apple**. Apple have managed to create a strong brand equity that connects with people emotionally. In fact, Apple has been categorized as one of top love marks. At the time of writing, July 2011, Apple is listed as number three and Apple’s iPod brand is listed as number ten (Saatchi and Saatchi, 2011).

Finally, **Apple is the leader who is shaping the market**. The successful introduction of the iPad has enabled Apple to shape the tablet market and establish a position as market leader (Hagel et al., 2008). A recent report by Dimensional Research (2011) show that the iPad dominates enterprise tablet adoption plans.
83% of business stakeholders and IT professionals with plans for tablet adoption indicated the iPad would be deployed.

Apple’s first mover advantage has enabled them to gain a strong competitive position. For example, Apple’s App Store service has given their iOS devices a strong position through network effects which will enable them to defend against upcoming competition. As a result, more actors, including customers, are purchasing iPads. For example, in pharmaceutical sales, Morten Hjelmsjo, CEO of the closed-loop marketing firm Agnitio, says:

“For the first time, we will actually have a common device for the industry, for their customers, and for their customers’ customers” (Tolve, 2010, p.3).

2.2.4 iPad Sales Aid Content
Without the right content, the iPad is not of much value for the sales force. Based on the pre-work, which will be described in section 2.3 on page 12, a number of capabilities were developed to fit FAMs’ tasks. This section describes the three key capabilities developed for use in the case study—initiative presentation content, digital in-store support booklet, and a visualization tool.

**Initiative Presentation Content**
The objective with this capability was to improve customers’ experience of initiative presentations in store. To ensure validity of the result, the content presented using the tool was kept the same as the paper based version presented by the control group with only changes relevant for the test implemented:

- The addition of TV spots and mood videos.
- A “sliding effect” when transitioning between slides.
- Fast navigation through slides by allowing the user to navigate back and forth between a specific slide and an overview of the whole presentation.
- The tool also allowed for targeted presentations—meaning that the FAM can embed customer specific content in the presentation through a quick tap before the customer visit. However, this was achieved manually by the control group as well.

**In-Store Booklet**
The objective with this capability was to make it easier for FAMs to help customers with the in-store work—mainly to optimize shelf layouts. Instead of carrying a large and heavy booklet, this capability allow FAMs to always have the booklet at hand and to quickly find the information they need using a intuitive navigation. Hope lied with that making the content digital, also would drive increased usage.
Figure 2.1. Visualization tool for point of sales material

Visualization Tool

The key objective with the visualization tool was to provide highly vivid and engaging presentations of point of sales material (POSM). That is, in store display material used for promotions. The tool allows FAMs to take a photo inside a customer’s store and visualize what certain POSM would like inside the store prior to ordering. The content scope for this capability was set to posters only—the once typically placed on top of light boxes above the perfume shelves. Figure 2.1 illustrates what this app looks like.

Core and Third Party Apps

Test users were encouraged to use the built in applications—email, calendar, contacts and maps. They were also encouraged to install and evaluate third party apps, available through Apple’s App Store.
CHAPTER 2. METHODOLOGY

2.2.5 Duration

The case study was executed in two phases. The first phase was part of the pre-study and included two users only. The intention of this phase was to capture technical issues prior to the full case study as well as to identify important themes to investigate further in the full test. The early adopter phase lasted for six weeks—March 28th-May 6th 2011.

The second phase started May 9th 2011 and lasted for 10 weeks, until July 15th 2011. As will be described in detail, continuous feedback was captured during this period with the final part being a focus group July 5th. The pre-study subjects were also part of the full study.

2.3 Pre-work to Main Study

The purpose of the pre-work was to gain necessary knowledge to formulate the research questions for the study. The pre-work consisted of four main activities. The first part was a review of existing literature and existing corporate iPad implementation cases. The second part of the pre-study was to spend two days together with FAMs. The first day was dedicated to role playing and process mapping. The purpose of this day was to identify opportunities which the iPad Sales Aid could address as well as theoretical themes to evaluated in the main study. The second day was spent together with two FAMs during a typical day with customer visits.

Thirdly, I conducted a large amount of preliminary interviews with several stakeholders at P&G. This included people from the sales function with different perspectives on the business as well as colleagues from the IT division to gain knowledge about previous SFA implementations as well as existing systems and solutions that could be leveraged.

Finally, before the full start of the case study, we provided two users with iPads and an initial release of the content to capture early feedback.

2.4 Research Methods

As mentioned, one of the strengths of the case study approach is that it allows the researcher to use a variety of sources, data types and research methods as part of the investigation (Denscombe, 2007). Given that I worked in the company being studied during the case study period, I had access to several sources of information. This section outlines the different methods that were selected for collecting information.

- FAM questionnaire
- Customer questionnaire
- Focus group
- Interviews
• Observations
• Actual sales data

2.4.1 Questionnaires

Two different questionnaires were carried out during this study—one for FAMs and one for selected customers.

**FAM Questionnaire**

The purpose of the questionnaire handed out to FAMs in the test group was to capture quantifiable values—for example, the amount of time they spend on particular tasks or the amount of pages they print. Participants were asked to respond to the questions two times to capture both the before and after state—i.e. with and without the iPad. Most qualitative questions were left out of the questionnaire as those were to be covered in the focus group. However, to allow for triangulation of specific data, some questions were repeated in both the questionnaire and the focus group. Appendix A contains the questionnaire handed out to the test group. All five sales reps included in the study participated by filling out the questionnaire.

**Customer Questionnaire**

The second questionnaire was handed out to customers. The purpose of this questionnaire was to capture how customers perceive the impact of using the iPad Sales Aid. More precisely, the objective was not to produce quantitative data in order to draw general conclusions. Rather, to capture input from some customers to support the identification of common themes.

The challenge was to identify a large enough amount of customers that could participate in the survey. To gain access to this information, the customers who filled out the questionnaire had to be selected by the FAMs and filled out during the store visit. This is likely to bias the result as a) sales reps are more likely to select customers that they have a good relationship with; and b) customers could choose not to fill out the questionnaire in case they feel they cannot provide good scores as they would have to hand the data back to the sales rep after filling it out.

The questionnaire was completed by 11 store managers in total and the questions asked are included in Appendix B.

2.4.2 Focus Group and Feedback Sessions

Focus groups are group discussions organized to explore a specific set of issues. Focus groups are distinguished from the broader category of group interviews by the explicit use of group interaction as research data (Morgan, 1997).

The focus group was conducted three months after the start of the test. The purpose of the focus group was to capture qualitative insights from the FAMs'
experience of working with the iPad Sales Aid. All six FAMs in the test group participated in the focus group. The discussion outline that was used is included in Appendix D.

Similar to the focus group, regular feedback sessions were also held on a weekly basis with the group over phone. The intention of these sessions were to learn about how themes develop over time. It was also a way for participants to share and discuss any technical issues they experienced during the week.

2.4.3 Qualitative Interviews

Interviews are an essential source of case study evidence as they allow for a guided conversation rather than structured queries. This gives the researcher the ability to both satisfy the needs of a particular inquiry while simultaneously putting forward open ended questions which may provide insights into areas to study further (Yin, 2003). Interviews are common as case study evidence as most case studies are about human affairs. A sales meeting, the subject being qualitatively examined here, is a good example of such affair. These human affairs should, according to Yin (2003), be reported and interpreted throughout he eyes of the interviewees.

The focus group as well as the regular feedback sessions with the test group served as input from the FAMs. However, independent interviews were also conducted with two FAMs to support triangulation of findings. Although store managers’ perception were captured using the customer questionnaire, I also conducted an in-depth interview with one store manager.

As described in the the pre-work section on page 12, several unstructured interviews were also carried out at the beginning of the study to identify common themes to investigate. The following list includes the focused and structured interviews conducted during the study—not the unstructured ones:

- **Sabine Marketsmueller**: Leader of the Prestige sales force in P&G Germany.
- **2 FAMs**: Sales representatives at P&G Prestige (test group and control group member).
- **P&G Customer Employee**: Store Manager for a perfumery in Germany.

Appendix C includes the guides that were used when conducting the interviews.

As discussed, interviews may give great insight into a subject. However, one should remember that they are only verbal reports. As such, they are subject to bias, poor recall, and poor articulation. Interview data should thus be corroborated with information from other sources (Yin, 2003).

2.4.4 Observations

Although interviews and focus groups provide good insights, these methods only reflect what different people have perceived, not what actually happens. Direct
observation can thus be a more reliable method than what many might think (Bell, 1999). Observational evidence is often useful in providing additional information about the topic being studied.

“If a case study is about a new technology, for instance, observations of the technology at work are invaluable aids for understanding the actual uses of technology or potential problems being encountered” (Yin, 2003)

This method was thus chosen in order to capture information about how FAMs and customers relate to the use of the iPad. One should, however, note that information interpreted during the observation is subjective to the observer which might lead to a biased result. If the observer also defined the objective with the study, it is likely that the observer will focus his attention on the variables being studied. As I was leading the case study project while observing, this could have impacted the result. Yin (2003) suggests that to increase reliability of the study, one can use more than one observer. To cater for this, parts of one of the field studies were recorded on video for other to view.

I conducted two direct observations during the project. The first one was part of the pre-work, to help identify themes to investigate further. The second observation was conducted when the test group had been equipped with iPads. Both of the observational studies took place in Germany and the latter was recorded on video.

2.4.5 Sales Data

The final method used for assessing the impact of the iPad Sales Aid was actual sales data. As we will see in section 3.1.2 on page 18, there are several different organizational influences that impacts the buying behavior of customers. For example, an organization’s internal policies and procedures have a major impact on the buying decision. In order to reduce the influence of organizational factors, a single type of customer was selected for the case study—Independent trade stores. That is, stores that are owned and controlled by individuals rather than being part of a larger store chain.

The test group visited approximately 68 independent trade stores and the control group visited approximately 332 during the test period—just over two months. At the completion of the sales cycle, the sales data for the test group was compared against the same group’s sales data for the same period last year. The same analysis was conducted for the control group. This enabled the test group’s sales impact to be compared against the control group.

By comparing the sales data with the sales rep’s own performance during the same period the previous year, the impact of the sales rep’s personal selling skills should be minimized. Contrasting the result against the control group also reduces any bias created by a difference in quality of the product initiatives presented. A target of 1.5% was set as significance level. Given the amount of customer stores visited—approximately 400 in total—and the method for analyzing the data, the result can be considered reliable.
2.5 Quality of Research Design

The reliability refers to the consistency of the study. That is, if the same result can be expected when using the same method at a different occasion (Bell, 1999). The study is based around new innovative technology that has a value today that it might not have tomorrow. Thus, it is unlikely that repeating the test would yield the exact same result at a later date. It can also be argued that the reliability of the study is lowered by the limited size of the test group. However, the purpose of the study is to explore a phenomena qualitatively which would have been difficult with a larger group.

To ensure repeatability of the study, the process for how the case study was setup has been documented and hence could be repeated at a later time. Furthermore, a known method for improving reliability is called test-retest (Bell, 1999). This means that one ask the same question at different times. As I was working close to the test group, I could follow up on input on different occasions and thus challenge inconsistencies in findings. To support this, regular, weekly, feedback sessions over phone with the test group. Furthermore, the study leverages multiple sources of data which allows for triangulation of information in the analysis which, in turn, increases reliability of the result.

External validity is the extent to which a study’s findings can be generalized. The case study approach is often confronted with skepticism for how far it is reasonable to generalize the findings from one case to another (Denscombe, 2007). In order to generalize the findings from a case study, a theory must be tested by replicating the findings in a second or even a third environment (Yin, 2003). A case study could use a multiple case design to gain a higher external validity. However, the research design for this study is based on a single case design with set delimitations (see section 1.3 on page 4). To strengthen the external validity, secondary data from other corporate iPad implementations are also used to complement the case.

It is important to point out that the natural setting of the case study limited the amount of customers that could be included in the test as well as how they were selected. As have already been pointed out, to gain access to customer feedback through questionnaire response, sales representatives selected the customers that filled out the result. This might have biased the result and hence pose a threat to the internal validity of the test.
Chapter 3

Literature Review

The purpose of this chapter is to provide the reader with the theoretical background needed for the analysis conducted in this study. It begins by outlining the fundamentals of buyer behavior and the personal selling process. Understanding this section is essential as models presented here are referred to throughout the report in relation to different theories. Second, it includes a short review of existing literature on sales force technology. The final section in the chapter presents the theoretical framework that was developed during the course of the case study. That is, the theories related to the specific themes identified during the course of the case study.

3.1 Buyer Behavior and Personal Selling

3.1.1 The Sales Force

companies all around the world use sales forces to sell products and services. In fact, sales forces are found in many other kinds of organizations as well. For example, colleges use recruiters to attract new students and churches use membership committees to attract new members (Kotler and Armstrong, 2008). In short, personal selling is the interpersonal arm of a firm’s integrated marketing communication (IMC) in which the sales force interacts with customers to build relationships and make sales (Kotler and Armstrong, 2008).

The term salesperson covers a wide range of positions ranging from order takers-such as the department store salesperson standing behind the counter-to positions that demand creative selling and relationship building (Kotler and Armstrong, 2008). On top, Andeson et al. (2009) distinguish between three different approaches to selling: transactional selling, consultative selling, and enterprise level selling. Transactional selling focuses on gaining an order as quickly as possible. In consultative selling, on the other hand, the sales representative becomes a long-term trusted and value adding resource for a customer firm. In enterprise selling, the offering is a partnership rather than just a product or service. Consultative selling is the approach of focus for the case study described in this report.
The people that do the selling go by many names. Some examples are: sales representatives, field account manager, salespeople, district managers, account executives, sales consultants, sales engineers and agents. To avoid any confusion, I have chosen to stick with the terms “sales representative”, “sales rep” or just “rep” when discussing sales people in general and field account manager (FAM) when discussing the P&G Prestige sales force.

The role of personal selling varies from company to company. In companies that sell business products or services, such as IBM or DuPont, the sales people work directly with customers. At P&G and other consumer product companies, like Nike, the sales force has a slightly different role. They work with wholesalers and retailers to gain their support and to help them become more productive in selling their products.

The sales force serves as a critical link between a company and its customers. Kotler and Armstrong (2008) describe the sales force as having two roles. First, they represent the company to the customer. How they do this and how technology can be leveraged for this purpose will be examined in detail in this thesis. At the same time, salespeople represent customers to the company. That is, they learn about customers’ needs and problems and communicate this to marketing and other non-marketing people in the company to develop greater customer value. More and more companies realize the importance of putting the customer in focus (Söderlund, 1997). A particular aspect of focus is the importance of customer satisfaction. The reason for this is that satisfied customers are more likely to become loyal customers which, for several reasons, generate more revenue (Söderlund, 1997). Technology is enabling sales representatives to better track and feedback information about customers to the company. However, this falls outside of the scope for this thesis and is not included in the analysis. However, the role new technology can have when sales people represent customers to the company is discussed in section 5.3.3.

3.1.2 Influences on Business Buyers

Business buyers are subject to many influences when they make their buying decisions. Figure 3.1 illustrates these factors which includes environmental, organizational, interpersonal and individual influences. Given that the scope for this thesis is focused on the meeting between the sales representative and the customer, key here is the interpersonal and individual influences. Some marketers assume that the major influences are economic. That buyers will favor suppliers who offers the lowest price or the best product or the most service. However, according to Kotler and Armstrong (2008), business buyers respond to both economical and personal factors. They are far from being cold, calculating, and impersonal. Business buyers are human and social and react both to reason and emotion (Kotler and Armstrong, 2008). Most B-to-B marketers recognize that emotion plays an important role in business buying decision.

“When suppliers’ offerings are very similar, business buyers have little basis for strictly rational choice. Because they can meet organizational
goals with any supplier, buyers can allow personal factors to play a larger role in their decisions. However, when competing products differ greatly, business buyers are more accountable for their choice and tend to pay more attention to economic factors.” (Kotler and Armstrong, 2008)

In fact, emotional marketing is becoming increasingly common today (Söderlund, 2003). In line with the quote from Kotler and Armstrong (2008) above, Söderlund (2003) argues that this is due to the fact that it is becoming increasingly difficult for customers to differentiate offerings. It is common that almost the same product, with only minor differences, is available from many manufacturers. Thus, if one compares advertising today with advertising from the 1970s, advertisements used to contain a lot more rational arguments.

### 3.1.3 The Personal Selling Process

The selling process is the steps that a sales person follows when selling. As shown in figure 3.2, this includes: prospecting and qualifying, preapproach, approach, presentation and demonstration, handling objections, closing, and follow-up (Kotler and Armstrong, 2008). Given the that the scope of this thesis is set to sales presentations, I will only focus on the steps relevant for that situation. The first two steps—prospect and qualifying and preapproach—refer to how a salesperson screens out the right customers as well as how prepare for a sales call by learning about the organization. CRM and SFA technology are often used to assist in this process. However, this is outside the scope of this thesis. Instead, the steps of interest here are the ones called out in figure 3.2 - approach and presentation and demonstration.
CHAPTER 3. LITERATURE REVIEW

The approach step involves the sales representative’s appearance, opening lines, and the follow-up remarks (Kotler and Armstrong, 2008). This step should involve learning about the customer’s needs as well as to attract the buyer’s attention and curiosity by, for example, showing a display or product sample. During the presentation and demonstration step of the selling process, the sales representative present customer benefits by telling the product “story” to the buyer (Kotler and Armstrong, 2008). It is important to both be a good presenter and listener to be successful at this step. Furthermore, benefits that customers fail to perceive or to believe in are unlikely to to enter into their value equation. Marketing is often referred to as “the art of creating, extracting, and delivering customer value in a timely manner”. However, Andreson et al. (2009) emphasize that this definition should also include “communicating value created in a timely manner”. They suggest that market reputation and brand equity should also be communicated. On top, sales reps should build strong customer relationships by migrating customer focus from economic and non-economic tangible benefits towards non-economic intangible benefits.

Handling objections, closing and follow-up refers to how the sales representative can turn objections into reasons for buying, close the deal with the customer, and to follow-up after the meeting to ensure customer satisfaction and repeat business.

Recognizing the variation in selling situations, sales professionals practice adaptive selling. That is, the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation (Andreson et al., 2009). For example, a sales rep may alter the sales approach or communication style by becoming more or less technical to match the purchasing manager’s competence.

How the sales rep approaches the sales presentation varies across the different selling types. In transactional selling, the sales rep should focus on features, advantages, and benefits. Timing is everything and the sales rep should try to close the deal several times during the meeting (Andreson et al., 2009). Consultative selling goes beyond stating benefits and the ultimate goal is to obtain commitment from the customer. In fact, trying to close the deal to early or often could actually harm the relationship with the customer (Andreson et al., 2009).

3.1.4 Managing Sales Force Efficiency and Effectiveness

Salespeople constitute one of the company’s most productive and expensive assets—increasing the number of sales representatives will increase both sales and costs (Kotler and Armstrong, 2008). The primary task for any sales organization is therefore to increase efficiency - maximizing the amount of time reps spend selling while ensuring that they sell the right products to the right customers. To do this, a sales organization need to identify, understand, and eliminate anything that makes them less efficient (Agarwal et al., 2009). Figure 3.3 illustrated how sales people, in general, spend their time. On average, active selling time accounts for only
10 percent of total working time. Thus, “Companies are always looking for ways to save time—simplifying record keeping, finding better call and routing plans, supplying more and better customer information, and using phone, e-mail, or video conferencing instead of traveling.” (Kotler and Armstrong, 2008, p.462) A common approach to increase effectiveness is to invest in sales training. Although it often is expensive, it can yield dramatic returns. For example, Nabisco invested in a two-day program that teaches sales reps how to make professional sales presentations for $1,000 per sales representative. However, the training resulted in additional sales of more than $122,000 per rep (Kotler and Armstrong, 2008). Clearly, the right investment in sales presentation quality can truly boost sales force effectiveness. In response to the expensive sales training programs, companies are increasingly adding self-paced, web based, courses to their training portfolio. More recently, companies have started looking at e-learning 2.0, or social learning, capabilities as a method for extending existing in-house knowledge.
It is also important to track changes in sales force efficiency and effectiveness in order to continuously improve existing process. There are a number of conventional methods available that managers use to evaluate sales force performance. According to Kotler and Armstrong (2008), managers typically get information about its salespeople through sales reports, call reports, expense reports, and sales performance in the sales representative’s territory. Additional information comes from personal observations and customer surveys. Managers use this information to provide constructive feedback and to motivate sales representatives.

3.2 Sales Force Technology

Salespeople today are constrained to do more with less time and technological advancements has become an integrated part of the sales representatives life. Foreseeing this change in environment, Leigh and Tanner (2004) also stress the necessity for sales organizations to focus on technology and call on sales researchers to put forward theoretical models and empirical studies to investigating these emerging issues.

Although some discussions around the use of the iPad as a sales force tool has been published (Neumann, 2011; Apple, 2011; Zmuda, 2010; Tolve, 2010), the specific subject is absent in high quality academic journals\(^1\) in the field of strategic management and organizational studies. The purpose of this section is thus to provide a short review of some existing literature on sales technology that will become relevant when assessing the iPad as a sales presentation tool.

3.2.1 Technology Acceptance

To this point, numerous models investigating technology acceptance have been postulated in the literature and most of these focus on the adoption of technology. The technology acceptance model (TAM) is one of the most cited models which attempts to explain the determinants of computer use across a broad range of end-user computing technologies and population (Davis et al., 1989). The TAM uses two variables—perceived usefulness and perceived ease of use (Davis et al., 1989). Davis et al. (1989) defines the perceived usefulness as “the degree to which a person believes that using a particular system would enhance his or her job performance”. He defines perceived ease of use as “the degree to which a person believes that using a particular system would be free from effort” (Davis et al., 1989). The perceived ease of use and the perceived usefulness may be influenced by external factors, such as the availability of training and support as well as user demographics. Figure 3.4 illustrates the causal relationship between the different constructs in the FAM.

\(^1\)By “high quality academic journals” I refer to journals with grade three or four in the Association of Business Schools Academic Journal Quality guide
3.2.2 Technology’s Impact on Motivation

“The goal of motivation is to encourage people to work hard and energetically toward sales force goals. If salespeople work smart and work hard, they will realize their full potential, to their own and the company’s benefit.” (Kotler and Armstrong, 2008)

There are two main classes of motivation—extrinsic and intrinsic. Extrinsic motivation relates to the drive to achieve specific goals while intrinsic motivation relates to the pleasure and satisfaction from performing the behavior. In the TAM, extrinsic motivation is captured by the perceived usefulness construct (Davis et al., 1989). Venkatesh (2000) also suggests that intrinsic motivation fit into the perceived easy of use construct due to the computer playfulness construct. Although individuals may not expect systems in organizational settings to necessarily prompt high levels of fun, computer playfulness is, according to Venkatesh (2000), a relevant factor influencing user perceptions about a system since the construct of computer playfulness not only includes the desire for fun but also involves exploration and discovery.

Venkatesh (2000) suggest that higher levels of computer playfulness will lead to lowered perceptions of effort. That is, for the same level of actual effort/time invested, perceptions of effort/time will be lower in the case of a more “playful” user when compared to a less “playful” user. Design features may also enhance the perceived ease of use of a specific system. This is why, for example, Windows-based systems use interfaces that are fun—such as the animated office assistant. These interfaces aim to create enjoyment albeit with the goal of enhancing perceived ease of use (Venkatesh, 2000).

As have been outlined in this section, most previous research on sales force technology has been focused on adoption of the technology. According to Sundaram et al. (2007), there is a need to investigate what happens after the adoption—the link between the use of technology and performance (Sundaram et al., 2007). This is also the aim of this thesis.
3.3 Theoretical Framework

The theoretical framework was developed during the course of the study. While trying to identify how the iPad Sales Aid enhances presentation effectiveness, certain themes became apparent. This section covers specific theories that I have found relevant in the pursuit of these value constructs.

3.3.1 Media-Context Effects

Advertising researchers have found that media context affect ad recall, ad recognition, ad processing, brand attitude, and purchase intention (Dahlén, 2005). In fact, Yi (1990) noted that the media context is more than just a background for ads, it is also a way of communicating in itself. Dahlén (2005) put forward three ways in which the media source affects peoples perception of the ad and message.

First, a media context that is similar to the message in mood or affect enhances learning and evaluation of the message. Secondly, the media choice can influence the perception of the communicated brand. For example, Fuchs (1964) found that a magazine’s high prestige “rubbed off” on the advertised brand. This supported his principle that the medium and the advertised brand converge and become more similar in consumer mind.

Thirdly, the media source may function as a cognitive prime, influencing the interpretation of the message. For instance, a print ad promoting a large car may be perceived as safe when the context is an editorial article about safety, or fuel-thirsty when the context is an editorial article about oil (Yi, 1990).

Dahlén (2005) also showed that the total media context may, in fact, be the message when the brand and medium match. He also suggests that surprise can have a mediative effect—that the person seeing the advertisement did not expect it to be advertised on such medium. Although Dahlén (2005) used egg shells and elevators as creative media to advertise on, I will in the analysis investigate similar relationships with the use of innovative technology when communicating messages. Furthermore, an additional study shows that advertising on creative media produce more persisting brand associations as the medium itself can become a cue that evokes the brand even though it is no longer featured on it (Dahlén et al., 2009).

3.3.2 Marketing Signals

Information asymmetry may often exist between the two transactional parties in a sales meeting. That is, organizational buyers are uncertain about the abilities of the vendor (Stump and Heide, 1996). Independently of market or product category, it is often the case that the two parties in a transaction often have a different amount of information about the transaction which causes the buying party to make inferences about unobservable information (e.g. product quality) based on the given observable information. One possible solution to this problem is the use of marketing signals. Porter (1985) also points out that although a supplier can measure the impact of a
CHAPTER 3. LITERATURE REVIEW

criteria it may be difficult, if not impossible, for a customers to accurately measure the worth of others’. He recommends firms to investigate signaling criteria when the worth of use criteria is difficult for the customer to measure.

Quality signals can be transmitted through brand name, advertising expenditure, price and warranty (Kirmani and Rao, 2000). For example, a low introductory price communicate high unobservable quality following the reasoning “the company is losing money now, but because the quality of the products are so good, the money will be recouped from repurchase in the future”. The focus in this thesis is, however on another type of signal that Kirmani and Rao (2000) calls sale-independent default-independent signal. That is, a firm spends money now, regardless if anyone buys the product. Typical examples of such expenditures are advertising expenditures and investment in brand names. In this thesis, however, the expenditure of focus regards quality of sales force—an area that calls for more research:

“There is a need for empirical evidence on several other default-independent signals that involve up-front expenditures and are relevant for market-ing practice, such as plush carpeting and décor, store location, retailer reputation, and quality of sales people.” (Kirmani and Rao, 2000)

Due to the lack of research in this area and its similarity with advertising expense marketing signals, I will borrow from the literature of advertising expense. As discussed, advertising expense is an indicator of marketing effort: The more money spent on advertising, the greater the effort - meaning that the advertiser must have a strong belief in the product as it would mean a large risk to invest in a weak product (Kirmani, 1990; Kirmani and Wright, 1989). Advertising expense can also be a signal of wealth which, in turn, can be incorporated as proof of the brand’s previous success due to the company’s great ability to serve the market (Ambler and Hollier, 2004). Dahlén et al. (2008) builds on this research by also showing that advertising creativity signals greater effort and ability in the brand.

3.3.3 The Experience Economy

Using a long term perspective, Pine and Gilmore (1998) have distinguished four stages in the progression of economic value: commodities, good, services and expe-riences. “As services, like goods before them, increasingly become commoditized, experiences have emerged as the next step in the progression of economic value”. “From now on, leading edge companies - whether they sell to consumers or busi-nesses - will find that the next competitive battlefield lies in staging the experience” (Pine and Gilmore, 1998). They define an experience the follow way:

“An experience occurs when a company uses services as the stage, and goods as props, for engaging individuals in a way that creates a memo-rable event.” (Pine and Gilmore, 1998, p.97)

In response to the research by Pine and Gilmore (1998), Schmitt (1999) wrote about how business is increasingly driven by information technology. He argued that “it
will mean a transformation in media - from print to voice, from sight to sound” and that some type of device will become available that “will allow people and companies to connect and share an experiential universe with one another”(Schmitt, 1999, p.54). Could it be that the iPad—with the right content—is just what Schmitt (1999) described 13 years ago?

Given the discussion about influences on business buyers (section 3.1.2 on page 18), we are now familiar with the importance of emotions in B-to-B selling. Many retailers are also trying to create emotional in-store experience through the use of colors, lightening, music and smell (Söderlund, 2003). Good examples of these are Nike Town and Starbucks (Schmitt, 1999; Söderlund, 2003). In fact, the more more senses an experience engages, the more effective and memorable it can be (Pine and Gilmore, 1998). Today, customers take functional features and benefits, product quality, and positive brand image as a given. What they want is products, communications, and campaigns that dazzle their senses (Schmitt, 1999).

“The degree to which a company is able to deliver a desirable customer experience - and use information technology, brands, and integrated communication to do so - will largely determine its success in the global marketplace of the new millenium.” (Schmitt, 1999, p.57)
This chapter presents empirical findings from the case study as part of an analysis of the different themes identified during the course of the project. Unlike statistical analysis, there are few fixed formulas available to guide case study investigators. Instead, much depends on the investigator’s own style of rigorous thinking, along with the sufficient presentation of evidence (Yin, 2003). I have chosen a strategy that structures the analysis based on theoretical propositions. The same propositions that also set the design of the case study and formulated the research questions. According to Yin (2003), this is the most preferred strategy when analyzing case studies.

A pattern matching logic is used to analyze the information. That is, a logic that compares empirically based patterns with predicted ones—formulated as dependent variables. This means that if the patterns coincide with the expectation of the dependent variables, the results strengthens the internal validity of the study.

Each section of the analysis is thus based on a research question. The expected dependent variables are then presented together with a short theoretical motivation to the expected outcome. Empirical evidence from the different sources listed in in chapter 2 are then presented, triangulated and analyzed. Evidence captured using a questionnaire is presented in the following way:

Questionnaire Result: The result was...

Quotes from the focus group or interviews are presented with the role of the person making the comment and with the quote in italics. For example:

Store Manager: “A quote from a store manager”

My personal comments captured during observations are presented as part of the analytical discussion.

To ensure the structure of the analysis is clear, we should, before going into the analysis, revisit the purpose of the thesis as well as the research questions guiding the analysis.

The primary purpose of this thesis is to explore how the iPad augments the sales presentation and thereby its effectiveness. The aim is
to investigate the interplay of a set of previously unrelated factors as expressed by the following research questions:

1. What role does the use of an innovative medium—such as the iPad—play on customers’ perception of the company and message?
2. How does the device affect sales force motivation and satisfaction?
3. How does the use of multimedia and vivid content affect customers’ holistic experience of the presentation?
4. How do the innovative medium, sales force motivation, and the holistic experience affect each other?

The secondary purpose is to examine the efficiency impact PC tablets may have on a sales organization. That is, how it can simplify day-to-day work and how the investment can bring direct cost savings to the organization.

4.1 Impact on Effectiveness Measures

Prior to analyzing the presentation effectiveness value constructs, we must find out if the iPad Sales Aid actually had an impact on presentation effectiveness. In other words, whether it had an effect on sales volume. As described in section 2.4.5 on page 15, sales volume impact was measured based on the difference in sales volume, in comparison to the same period the previous year, for the group of FAMs equipped with iPads in contrast to the control group.

Result: The test group showed a sales uplift that was 3 percentage points higher than the control group. Given that the target level had been set to 1.5 percentage points, the improvement was significantly higher than expected.

According to this result, it can be concluded that equipping a group of users with iPad Sales Aids have a significant, positive, impact on sales performance. However, the test was conducted in a natural setting where many different variables may be influenced by the introduction of the iPad Sales Aid. Thus, to answer questions such as: “Could this effect be temporary only? How specific is the result to the single-case study? What do I need to do to enable my sales organization to gain the same result?”, we must dig a little bit deeper. We must identify what the different value constructs are, what function they have and how one might influence them. This is also the primary purpose of this study and the reminder of this chapter is an attempt to pin point and outline these value constructs.

4.1.1 The Medium as Message

Research Question 1 What role does the use of an innovative medium—such as the iPad—play on customers’ perception of the company and message?
By “the medium”, I refer to the physical device—in this case the iPad—used for the digital sales presentation. The theoretical propositions below builds on the expectation that the physical device itself, without content, has a value on its own. A value beyond its ability to share rich content and to provide sales representatives with functionality that drives their efficiency. A value sometimes referred to as the iPad’s “wow” effect. The underlying assumption is that this effect has a value, in particular in the approach step of the personal selling process, where the sales representative’s appearance is of high importance. The aim of this part of the analysis is thus to break down this rather abstract value.

The Medium’s Context Effect

As shown in section 3.3.1, the medium used to communicate a message influences the perception and interpretation of the message (Dahlén, 2005; Fuchs, 1964). According to Fuchs (1964), in magazine advertising, the equity of the magazine (e.g. its prestige) should “rub off” on the advertised brand—making the equity of the advertised brand and the equity of the magazine converge. Given that Apple is considered the worlds most innovative company (Fastcompany.com, 2011), applying the same logic for a message communicated using an Apple device suggests that the company or brand presented should be perceived as more innovative. In other words, Apple’s innovativeness should be transferred to the sales presentation.

The medium may also function as a cogitative prime—meaning that the perception of the medium influences how the message is interpreted (Yi, 1990). Perfume brands, like the ones presented by the Prestige FAMs, are intended to be perceived as fashionable and up-to-date. Based on the premise that this desired perception is congruent with the trendiness of the device, the brand or company presented should also be perceived as more modern.

**Dependent Variable 1.1** Customers perceive the company as modern

**Dependent Variable 1.2** Customers perceive the company as innovative

The result from the customer questionnaire shows that customers agree on that the company is perceived as innovative and modern. This result might have been expected in any case given that P&G has a reputation for being innovative. However, qualitative input from customers and FAMs highlight the importance of the fact that it is an Apple iPad.

Questionnaire Result: 100% of the surveyed customers “fully agreed” with the notion that P&G is an innovative and modern partner.

FAM: “Customers’ reactions are positive—we are modern and stylish. Apple is the brand in its category which has a great effect.”
When asking if it is important that it is an iPad or if it could be any device, I received the following answer:

FAM: “Of course, it plays a role. Apple is a strong brand and I do not think other brands has the same value”

The expectation that the medium primes the message when the equity fit is good and therefore makes the message easier to interpret was also brought up by a customer. The store manager felt that the iPad based presentation enabled him to get a better feeling for the brand. I asked if this was due to the use of videos and he responded that videos has an effect but also the fact that it is an iPad. Based on the premise that the trendiness of the device is congruent with fashion brands presented, this is in line with the theoretical motivation.

Store Manager: “You get a better feeling for the brand.”

Store Manager: “Yes, it [the better feeling for the brand] is due to to the use of videos but also the fact that it is an iPad”

Store Manager: “Normally, facts are presented using a printed folder and a folder can never give this feeling”

Store Manager: “It seems very innovative.”

In fact, the brand equity of the medium was not only reflected in customers’ perception of the company. FAMs participating in the focus group also confirmed that using the device made them feel more “elegant, stylish, and up-to-date”. The medium’s brand equity and its effect on FAMs will be discussed further in section 4.1.2 on page 32 together with other motivation drivers.

The Medium’s Signaling Effect

As discussed in section 3.3.2 on page 24, when customers do not have all necessary information at hand to judge the quality of a product, they rely on marketing signals to guide their decisions. We saw that putting more money at stake when marketing a product (for example through high advertising expense or use of warranties) has been found to be a signal that is interpreted as the marketers’ efforts due to their belief in the brand (Kirmani and Wright, 1989). That is, the more money spent on advertising, the greater the effort—meaning that the advertiser must really believe in the product.

People are “technology literate” enough today to infer that the use of a high-end, new, device—such as the iPad—is probably the result of a large technological investment. They realize that such technology is expensive and that it requires an agile organization that is prepared to take risks by placing big bets while in high uncertainty (Courtney et al., 1997). Thus, categorizing the use of the iPad as a marketing signal on its own, I expect that the use of the iPad should signal more effort through a larger investment (upfront cost and an agile organization).
Dependent Variable 1.3 Customers perceive the use of the iPad as a large investment

It was also shown in section 3.3.2 that expense might be a signal of wealth—meaning that the company can afford the expense which is a proof of previous success due to the company’s great ability to serve the market. Extending this reasoning to the use of the iPad, the device could work as a signal of wealth in the form of knowledge and professionalism. Using the device shows how the company is striving to leverage new technology to better serve customers.

Dependent Variable 1.4 Customers perceive iPad based presentations as more professional

The importance of communicating market reputation and equity was discussed in section 3.1.3. The aim is thus that the marketing signals also should enable sales representatives to better communicate the firm’s strong market position.

Observations showed how the fact that the iPad is being used for the presentation is noted by the customer. FAMs received many comments about the iPad during the test. Similar response was seen in another study by Neumann (2011) who said the iPad itself often was used as a conversation starter with the customer. It seems that the fact that the device was recently released influence the perception of the effort and, in turn, the “wow” effect. The rational behind being that it is impressive to have such new and innovative technology already in use by the sales force.

At the start of the study, during the early adopter phase, customers had not seen any other company leveraging the iPad for sales presentations. During this phase, the group shared strong and positive customer reactions due to the use of the device. During the course of the study, however, more companies began to deploy the iPad to their sales forces and I interpreted a reduction in customers’ enthusiasm about the device itself at the second or third visit. It seemed the innovativeness, at least the big hype seen in the beginning, had worn off slightly with time. Or, in line with the findings by Dahlén (2005), it could be that the impact of the device is more effective in the beginning due to the surprise—that the customer did not expect an iPad. Now, when more actors are using it, it loses this effect.

Store Manager: “P&G was first with this device. Right now, it seems very innovative and professional. [...] It will be a standard in a few years.”

In fact, in another study, Jonathan Baum, CEO of Dreyfus, also comments on the time based value:

“I wanted to be early in the iPad, because I do think it has a ‘wow’ factor upfront, which is, in technology, good for a period of time. Then it goes away.” (Steinert-Threlkeld, 2010)
CHAPTER 4. EMPIRICAL FINDINGS AND ANALYSIS

The questionnaire result confirms that customers perceive the presentation as a large marketing investment.

Questionnaire Result: 100% of the surveyed customers “fully agreed” with the notion that P&G invests a lot in sales presentations as well as that the company is technically up-to-date.

The marketing effort was also perceived by FAMs who, in the focus group, agreed that the investment shows that the company is in the front line which makes them come across as the true market leader P&G is. This was also confirmed during the in depth interview with a FAM.

FAM: “We are the market leader and we have the expectation to present like a market leader. The iPad gives us the opportunity to do that.”

FAM: “With it [the iPad] you are more on an equal footing with customer”

Empirical evidence also support the proposition that the marketing effort is a signal of wealth due to previous success and that the wealth of knowledge make the sales representative come across as more professional.

Store Manager: “It is very innovative and it seems professional to use it.”

Store Manager: “The sales representative comes across as more professional.”

Questionnaire Result: 100% “fully agreed” with that the iPad made the presentation feel more professional.

The impact the device had on the perception of being professional is most likely not iPad specific. Rather, the use of technology, in general, might have this effect. In fact, a survey by Keillor et al. (1997) reveals that sales managers believe information technology influences buyers’ perception of sales rep’s competency. 90% of those surveyed decided to automate their sales force because it made the sales person appear more professional and competent.

4.1.2 Sales Force Motivation

Research Question 2 How does the device affect sales force motivation and satisfaction?

Sales representatives need to be motivated to realize their full potential (Kotler and Armstrong, 2008). Sales force motivation is thus of key focus for any sales organization. As we saw in section 3.2, there are two types of motivation—intrinsic and extrinsic. Extrinsic motivation can be created by setting clear goals and providing
monetary rewards for success. For example, many companies set sales quotas to motivate their sales force (Kotler and Armstrong, 2008). Intrinsic motivation, on the other hand, relates to the pleasure and satisfaction from performing the behavior. According to Venkatesh (2000), this can be related to the perceived ease of use construct in the Technology Acceptance Model (see figure 3.4).

Given Apple’s products’ user centric design and the iPad’s intuitive interface, the expectation is that the use of the device have a positive impact on FAMs’ motivation.

**Dependent Variable 2.1 Users are more satisfied with their sales tools**

**Dependent Variable 2.2 Users feel more confident and motivated**

As was discussed briefly, it seems the equity of the device not only is valuable because it augments the message communicated to customers. It also impacts how sales representatives feel when using it which, in turn, affects motivation.

Sales force leader: “I doubt that this [the good sales result] is all due to the improved presentation experience, I think it also has to do with that the team was more motivated because they had received this cool device.”

FAM: “I feel more elegant, stylish, and up-to-date”

Participants in the focus group said that they love the iPad and its effect on customer relationships, personal productivity and simplification. A FAM interviewed said that he is proud to have the device. This is something I observed and, in fact, felt myself when I first received the device. Users of the device take pride in it and I also observed how users, including myself, treat it in a different way than they would treat the standard corporate laptop. Apple, the love mark, have been very successful in building brands and products that have a strong emotional connection to the user. This strategy has enabled them to sell many products. However, it seems this value also can be leveraged by companies as a motivational driver.

FAM: “I cannot imagine a time without the iPad—it changes how we work and I am very happy with that.”

FAM: “I am proud to be part of this test. I love my iPad.”

The device also increased FAMs’ satisfaction level for technical support tools.

FAM Questionnaire Result: Users were asked to specify how satisfied they were with the tools they had to support them in their day-to-day work on a scale from 1 to 10. Prior to receiving the iPad, the average score reported was 6.2. Having received the device, users reported their satisfaction level to be 9.6. In other words, and improvement of 55%.
CHAPTER 4. EMPirical FINDings AND ANALYSIS

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Feature</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Internet access</td>
<td>2.0</td>
</tr>
<tr>
<td>2</td>
<td>Instant on</td>
<td>2.6</td>
</tr>
<tr>
<td>3</td>
<td>The apps</td>
<td>2.8</td>
</tr>
<tr>
<td>4</td>
<td>Size &amp; weight</td>
<td>4.3</td>
</tr>
<tr>
<td>5</td>
<td>Design</td>
<td>5.0</td>
</tr>
<tr>
<td>6</td>
<td>General usability</td>
<td>5.2</td>
</tr>
<tr>
<td>7</td>
<td>Security</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Table 4.1. Sales representative’s prioritization of key device features

The iPad’s high user satisfaction level has also been found among consumers. For example, ChangeWave reported a 91% satisfaction level among iPad users (Carton, 2010). On top, a recent report by Filder (2011) reveals that iPad users’ satisfaction level, in fact, increased over time.

I also observed a high engagement level in the group. It seemed the playfulness of the device encouraged users to explore new functionality on their own—downloading apps, playing with configuration and finding new ways to leverage the device. Members of the group started develop guides for different tips and ticks that they shared among each other—without influence from management. Users did not raise many support tickets during the test. Instead, when users run into issues, they spoke to each other and identified solutions on their own. In fact, the group even called for a new platform, like a web log or community, where they could post tips and tricks.

This behavior might have been caused by the fact that it was a limited group of users in the test that all knew each other prior to the test. However, I have never seen such engagement around a piece of corporate technology before.

To pin point what had caused the drastic satisfaction increase and motivation among test group participants, FAMs were asked to specify what they perceived as most valuable with the device. Their spontaneous reactions were:

- “It is elegant”
- “More flexible”
- “Always on”
- “Can do email wherever”
- “Do not need to print”
- “Feel competitive”

Furthermore, table 4.1 shows how the test group prioritized key features of the device when they had to assign 7 features to 7 available rating levels—rating level 1 represents greatest value. It becomes clear that what FAMs perceived as the
the greatest value drivers were the ability to communicate and access information on the go, the speed of the device (no need to wait for PC boot-up), and the apps and content stored on the device.

4.1.3 The Presentation Experience

Research Question 3 How does the use of multimedia and vivid content affect customers’ holistic experience of the presentation?

As discussed in section 3.3.3 on page 25, B-2-B customers are people with emotions that make decisions based on both rational arguments and emotions (Kotler and Armstrong, 2008; Söderlund, 2003; Schmitt, 1999). As we have seen, products and services are increasingly becoming commoditized. Buyers can, in many industries, find almost identical offerings at multiple vendors. This makes the presentation of products features and benefits less important in buying decisions. Instead, customers increasingly make their buying decision based on emotions. As a result, today, it is about delivering a desirable experience and technology can play a key role in the delivery of these experiences (Schmitt, 1999).

The expectation is that the iPad’s large screen, speakers, mobile nature, and ability to present interactive content will enable FAMs to enhance the experience of the sales presentation.

Dependent Variable 3.1 Customers’ will perceive a higher presentation quality

Dependent Variable 3.2 Customers’ perceived meeting experience will be enhanced

Furthermore, we saw in section 3.3.3 on page 25 that the more senses engaged in an experience the more effective and memorable it can be. FAMs will during the sales meeting allow the customer to smell new fragrances while viewing new TV spots and listening to the music in the latest commercial.

Dependent Variable 3.3 Customers will perceive the presentation as being easier to understand and remember

Customers’ response to the iPad Sales Aid was much focused on how the use of multimedia and interactive content enhance the experience and quality of the presentation.

Store Manager: “A [paper based] presentation can never give the same experience as a video can […]. This gives a better feeling for the brand.”

Questionnaire Result: 91% “fully agreed” with that the quality of the presentation material was excellent.
The participants in the focus group also felt that it is easier to keep the customer interested in the presentation and avoid that they get “bored” by the traditional, slide-by-slide, presentation. It is easier to practice adaptive selling and jump between different slides and videos in the presentation based on what is relevant for the customer.

FAM: “Customers pay a lot more attention to the presentation”

FAM: “You can generate stronger emotions and through that get more business”

Questionnaire Result: 100% “fully agreed” with that the iPad based presentation felt more interesting than the paper based presentation.

The impact on experience was also found by Neumann (2011) who describes the iPad sales presentation the following way:

“The ease of the iPad allows for touch-screen presentations with interactive content, enabling a much more engaging experience. It brings a new form of interaction to the table for the sales force—with its size and bright, bold display—and helps gain and maintain attention. With multimedia tools for that added ‘wow’ effect, the digital detailing landscape has entered a new era.” (Neumann, 2011)

In line with variable 3.3, a store manager described how the iPad Sales Aid makes it easier to understand what is underway. This is important for him but also for his team who now also can view the upcoming TV commercials and ads.

Store Manager: “The enhanced experience of the meeting help you understand what is coming up.”

Store Manager: “It is great to have a multimedia experience and see the videos. In our very emotional business it is important to get inspired about the new initiatives.”

Store Manager: “It gives a deeper feeling for the brand.”

Questionnaire Result: 100% of the surveyed customers “fully agreed” with that it was easy to understand the presentation as well as that presenting on the iPad—using video and vivid content—made it more memorable.

Both customers and FAMs found that using the device changes the dynamics of the sales meeting. It now allows more people to view and participate in the presentation. It seemed that the use of videos catches the customers’ attention and the ability to easily move the screen and lay it flat on the table makes it easier to share the content with more people.
Store Manager: “It involves everyone in my team as the presentation gets more emotional”

FAM: “I get the attention of the whole store—from the Store Manager to the sales ladies”

Questionnaire Result: 100% of the surveyed customers “fully agreed” with that the iPad made it easier to have a conversation with the FAM.

In another study, Appleby (2010) identified a similar social phenomena. He argues that the reason for the change in dynamics is because looking at someone else’s laptop is prying as it is personal which becomes a barrier to communication. A tablet, on the other hand, allows the sales rep to open up the presentation and flip it around for a small group of people and let them interact with the presentation.

4.1.4 The Three Value Constructs’ Relationship

Research Question 4 How does the innovative medium, motivation, and experience relate to each other?

So far, three key value constructs have been outlined—the medium, sales force motivation, and the presentation experience—that enhance the effectiveness of the presentation. A summary of the individual value constructs as well as their effect are listed in Table 5.1 on page 45. However, given the previous analysis of these constructs, it becomes clear that the different factors cannot be interpreted in isolation. Rather, the interplay of these factors drives value. The three presentation effectiveness value constructs and their relationship are shown in figure 4.1. The gray area symbolizes the value created by the device, in this case the iPad, through its contribution on the three different dimensions outlined in the figure. The black arrows along the sides show how the different value constructs, in fact, affect each other.

The medium equity can be thought of as the value the device has on its own, without content. That is, the brand equity, newness and design. By “the fit”, I mean the extent to which the equity of the medium is in line with the intended perception of the message being communicated. We saw that the medium equity of the device converge with the perception of the company during the presentation. We also noted that leveraging new, state-of-the-art technology, like the iPad shows that the company is putting a lot of effort and money into making high quality presentations which, in turn, signals a strong belief in the product being presented as well as professionalism. Thus, a medium with strong equity and good fit should extend the gray value area.

On top, the analysis revealed that the equity of the medium was important to sales representatives. It seemed that the medium equity was not only visible
to the customer but also transferred to the FAM’s relationship with the device. For example, the fact that Apple, in this case, is a love mark was reflected in the response from the users who “loved” the device. Similarly, the brand premium and design of the device seem to impact how sales reps perceive themselves—more elegant and modern. Given these arguments, it becomes apparent that the equity of the medium may, in fact, influence the confidence and motivation of the sales force—hence the arrow from “Medium Equity and Fit” to “Motivational Impact” in figure 4.1.

Figure 4.1. The presentation effectiveness value constructs

Providing the sales force with a medium with high equity but poor usability would be like giving them a Ferrari with a 1.0 liters engine—their motivation would soon be lost. Thus, we saw that other factors need to be considered to drive long lasting satisfaction and motivation—connectivity, speed, and business apps with good fit-to-task. In line with the Technology Acceptance Model (TAM), these factors should also simplify the deployment and adoption of the device. Furthermore, as we will see in the next section of this analysis, these factors are also in line with the simplification and cost saving constructs—low training need, reduction of time spent on administrative tasks, and cost savings through effective apps.

The increased sales force motivation will, in turn, affect the effort that individuals put in to the sales presentation which also enhances the experience—hence the arrow from “Motivational Impact” to “Experiential Impact”. On top, the medium’s priming effect in combination with the richer content should enhance the interpretation of the messages and also build on the holistic experience of the presentation—
hence the second arrow from “Medium Equity and Fit” in figure 4.1.

4.2 Impact on Efficiency Measures

According to Agarwal et al. (2009), the primary task for any sales organization is to maximize the amount of time sales representatives spend on selling while ensuring that they sell the right products to the right customers. To do this, a sales organization need to identify, understand, and eliminate anything that makes them less efficient. Secondary data also show that some companies have deployed iPads solely to save money. For example, Dreyfus main reason for adopting the iPad was because of the expected benefit from paper savings, time savings and lowering of risk through greater compliance (Steinert-Threlkeld, 2010).

Driving efficiency has been the objective of many sales force technology implementations. In spite of being difficult to generalize, I believe this more traditional way of measuring sales force technology impact also deserves a place in this report. The amount of time or paper a sales organization can save through deployment of PC tablets clearly depends on existing processes and how well optimized processes already are. Furthermore, efficiency gains depend on to what extent the SFA solution is implemented and how far existing processes are digitized. Hence, the aim of this part of the analysis is to show how digitization of presentation material can impact efficiency in order to put it in relationship to the potential effectiveness benefit.

4.2.1 Simplification

Simplification is here measured as the reduction in time spent on administrative work. However, making the day-to-day work easier for sales reps also impacts how satisfied users are with their work. Similarly, simplified processes also enable FAMs to respond faster to customer requests which, in turn, may impact customer satisfaction. The scope for the case study project was only set to evaluate the impact of digitizing the presentation material to assess value created in the approach and presentation part of the selling process (figure 3.2). Greater simplification should be expected when introducing more complete SFA and CRM solutions that support sales representatives throughout the selling process—from prospecting and qualifying to closure and follow-up.

Time Savings

When users in the focus group were asked to put forward images that describe the iPad experience, one user selected running shoes—symbolizing the speed of the iPad. Another user selected an image of a teddy bear—symbolizing that you feel comfortable with the device. In fact, speed was noted as the most important value driver and users in the focus group agreed that the device help save up to 30 minutes of office time per day.
Table 4.2. The device’s impact on the amount of time spent on doing administrative work in the home office

<table>
<thead>
<tr>
<th>E-mail</th>
<th>Orders</th>
<th>Preparing reports</th>
<th>Preparing presentations</th>
</tr>
</thead>
<tbody>
<tr>
<td>-56.7%</td>
<td>0.0%</td>
<td>-11.8%</td>
<td>-61.4%</td>
</tr>
</tbody>
</table>

FAM: “You can use waiting times to check and answer emails. This makes daily time management much more effective and also frees up time to do other more important things.”

FAM: “The presentation can be started faster and done more flexibly.”

Table 4.2 illustrates a more detailed view of the device’s impact on time savings during the case study. It becomes obvious that the greatest savings come from the connectivity as well as the reduced amount of time spend on preparing presentations.

FAM: “Before, we had to create the sales booklet for each customer. Now, it is all stored in the iPad”

The main focus of this case study was to evaluate the impact of the digital presentation. Thus, the ability to place orders or other transactions directly on the device were not implemented—which is also reflected in the unchanged value in table 4.2. However, enabling reps to execute transaction directly from the device could have a great impact. It would give sales reps the ability to “close the deal” together with the customer. As discussed in 3.1.1, this might be of higher relevance in transactional selling rather than consultative selling—where the latter method was practiced by the case study test group. Furthermore, being able to execute transaction when together with the customer has a direct value for the customer too. In an interview with a store manager I asked how he believes the device could be further leveraged and he brought up transactional capabilities.

Store Manager: “More transactional services. For example, book freelancers for in-store executions directly from the store. This would help save my time and reduce the need to go back and forth.”

FAMs in the focus group also articulated that they had perceived positive reactions from customers when executing work from the device while being with the customer.

FAM: “The customer feels much more taken care of – because you can directly email a request while you sit with them.”

Adoption

During the pre-study, it became clear that FAMs have a lot of printed material to carry when visiting customers. As a result, FAMs need to prioritize what material
they bring to the customer and leave anything that is not essential in the car. Furthermore, presenting using a paper based solution is time consuming as it can be cumbersome to find the specific page one is looking for. Digital material, on the other hand, is easier to navigate and to carry. The expectation was therefore that FAMs would be more inclined to present more material when stored on the iPad. To evaluate if this was the case, test users were provided with a digital version of an 80 pages, previously printed, booklet (see section 2.2.4) that now also had a menu for quicker navigation. The amount of times FAMs used the booklet was measured before and after the deployment of the device.

Questionnaire Result: On average, FAMs used to present material from the booklet on 36% of the store visits. When they had the content available on the iPad, they use it on 66% of their customer visits. A relative increase of 83.3%.

iPad as Laptop Replacement

Any manager looking to deploy a new device to their sales force would like to see that it replaces some existing technology. It is expensive to provide an additional device and it may increase the complexity for sales representatives by pushing more technology to them.

Users in the test group were equipped with laptop, mobile phone, and iPad during the test. Users preferred using the laptop at home but when they went out to visit customers, they brought only the iPad. The reasons they wanted to work on the laptop at home was:

- **All necessary apps not available:** Some systems were not available on the device in time for the case study
- **Managing office spreadsheets and documents:** Essential features such as Excel macros are not yet supported by the device. It is also difficult to manage files with precision without a mouse.
- **Longer e-mails:** Would require an external keyboard.
- **Open large attachments:** Takes a long time on the device.

The response from one of the FAMs was that he cannot use the device for all his work as some applications that he has installed on his PC are advanced and would not work on the iPad. He says that moving these applications to the iPad would require a drastic redesign of the application interface to fit the iPad’s touch screen. However, he agrees that if he had all his applications available in an “iPad friendly” format, he would not need his laptop.

FAM: “If I had all the software I need on the iPad, I would not use my laptop.”
On the discussion about the usability of the virtual keyboard, half of the test group agreed that it was inconvenient to type on the virtual keyboard (other participants were neutral or thought it was convenient).

A common conclusion is that the device is good for consuming content, not for interacting (Snell, 2009). However, a recent study reveals that U.S. consumers no 1 reason for using the iPad is for “working on the go” Sybase (2010). A report by Dimensional Research (2011) show that only 18% of sales managers see tablets replacing the laptop while the remaining 82% viewed tablets as complementing laptops.

4.2.2 Cost Savers

Investing in sales force technology can be expensive. Costs to consider before such investment include device cost, 3G/4G data traffic, hardware accessories (e.g. protecting case and car chargers), commercial apps, and the need for custom app development. On top of this, corporate adoption of a new device requires new processes for managing user training, user support, device deployment, and app deployment. Although the investment may drive sales—as we saw on page 28 in the beginning of the analysis, it is still relevant to include direct cost savings in the value equation.

Two direct cost savings were identified during the case study. First, and most obvious, was the reduced print need. However, as the case study was only conducted for a sub set of the users, the actual sales folder material was still being printed centrally during the test. Naturally, it was discussed whether the iPad could replace the centrally printed sales folder but the conclusion was that it could not be removed. The reason for this was the importance of having something to leave after the visit so that the customer is reminded about the visit and have the information he needs. The proposed solution was thus to replace the multiple pages sales folder with a short, one page, presentation sheet to leave at the customer. An alternative could also be to leave a digital copy on a USB stick or via email. Even though the creative work as well as printing of the one page summary would have to continue, the total cost for the centrally printed sales folder was estimated to go down to 52% of the cost of the full folder.

On top of these central printing savings, the need for FAMs to print material was also reduced to 25% of what they previously had been printing. Table 4.3 shows the average impact on pages printed by the FAMs. The second cost saving identified came from third party apps that allowed FAMs to perform price optimizations. One of the apps discussed in the focus group had been used to search for near by hotels and compare prices. This had, according to the group, enabled them to find hotels

<table>
<thead>
<tr>
<th>Presentation</th>
<th>Customer slides</th>
<th>Reports</th>
<th>In-store booklet</th>
</tr>
</thead>
<tbody>
<tr>
<td>-93.7%</td>
<td>-49.5%</td>
<td>-47.5%</td>
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</tbody>
</table>

Table 4.3. The device’s impact on the amount of printed pages
to better prices.
Chapter 5

Discussion

This chapter begins by summarizing the findings of the study which is followed by the overall conclusion. Based on the conclusion, some managerial implications are presented to support managers planning a deployment of a new sales force medium. Finally, the chapter, and report, ends with suggestions on future research.

5.1 Summary of Findings

The primary purpose of this study was to find out how the use of the iPad impacts sales presentation effectiveness. It was found that using the device, and content, resulted in a sales increase with three percentage points. A result significant enough, I thought, to earn an explanation in the form of a thesis. Three value constructs were identified that together contributes to the presentation effectiveness. On top, as part of the secondary purpose, two different efficiency constructs were measured to track the digitization’s impact on efficiency. Each construct is summarized as answers to the initially posted research questions in this section. Furthermore, table 5.1 provides a high level overview of the different value constructs. The table shows each construct’s functions. That is, the independent variables or how the construct may provide value. Each construct also has mediators. That is, external factors that, through the construct’s function, influences a certain outcome. Finally, the table lists the result of each construct in the iPad case study.

5.1.1 The Effectiveness Increase

In the quest for answers to why the device had a positive effect on sales force effectiveness, three value constructs were identified and analyzed using the following four research questions:

Research Question 1 What role does the use of an innovative medium—such as the iPad—play on customers’ perception of the company and message?

This research question was grounded in the theory about marketing signals as a method of communicating unobservable information (Kirmani, 1990; Kirmani and
CHAPTER 5. DISCUSSION

### The iPad Value Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Effectiveness Drivers</th>
<th>Efficiency Drivers</th>
</tr>
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<tbody>
<tr>
<td>Functions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Signaling effects, Media-context effects</td>
<td>Engages senses, Evokes emotion</td>
<td>Encourages effort, Creates confidence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduces administrative time, Drives content adoption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduces print need, Price optimization</td>
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<tr>
<td>Mediators</td>
<td>Media Equity (effort, brand equity)</td>
<td>Content (video, sound, vividness)</td>
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<td>Connectivity, Speed, Medium Equity</td>
<td>Connectivity, Speed, Apps</td>
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<td>Existing processes</td>
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<td>iPad Result</td>
<td>Perceived as: Professional, Innovative, Market leader</td>
<td>Attention, Interest, Memorability, Interpretation</td>
</tr>
<tr>
<td></td>
<td>Enhanced effort, User satisfaction</td>
<td>Shifted focus from administration to customers</td>
</tr>
<tr>
<td></td>
<td>Significant cost savings</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.1. The iPad value construct table - The value constructs that contribute to the enhanced sales force effectiveness and efficiency.

Wright, 1989; Ambler and Hollier, 2004; Dahlén et al., 2008). For example, how perceived investment may signal quality—given that it would mean a large risk to invest in a weak product (Kirmani, 1990; Kirmani and Wright, 1989). Equal weight was given to the theory on media-context effects. That is, how the brand equity of a medium converge with the message and how the perception of the medium can prime the interpretation of the message (Fuchs, 1964; Yi, 1990; Dahlén, 2005; Dahlén et al., 2009).

The result showed how the theoretical expectations seem to hold true. According to customers’ perception of the presentation, the innovativeness of the device had rubbed off on the presentation—making the sales force come across as modern and innovative. Based on that the device had only recently been released and that it is known for being sold at a premium, we noted how using the device seemed to influence the perceived marketing effort. Resulting in that customers perceived the presentation as more professional and that FAMs were seen as representatives of a market leader.

**Research Question 2** How does the device affect sales force motivation and satisfaction?

This research question was formulated based on the Technology Acceptance Model (TAM) and previous research on how the TAM’s “perceived easy of use” construct and playfulness of technology may influence users intrinsic motivation (Davis et al., 1989; Venkatesh, 2000).

The result showed an increase in sales technology satisfaction with 55%. An increased motivation level was also observed by me and other people outside the test group. The greatest value drivers noted by the test group was a) connectivity—being able to read emails and the web; b) speed—instant on and fast access to information; c) apps with good fit-to-task; and d) medium equity—being well designed and innovative—which made them feel elegant, competitive, and proud.
CHAPTER 5. DISCUSSION

Research Question 3 How does the use of multimedia and vivid content affect customers’ holistic experience of the presentation?

This research question was constructed based on existing theory on experiential marketing (Pine and Gilmore, 1998; Schmitt, 1999). Also, literature on B-2-B, and consumer, buying behavior suggest that emotions are becoming increasingly important in the purchase decision (Kotler and Armstrong, 2008; Söderlund, 2003). Given the use of multimedia and vivid content, it was therefore expected that the perceived presentation experience and quality would be enhanced as well as that the presentation would be easier to understand and remember.

The result suggests that customers feel a stronger emotional connection to brand presented and that their interest in the presentation is increased due to the use of multimedia content. In fact, the presentation now attracted and engaged more store staff which also increased the reach of the message to more people. This change in dynamics seemed to be caused by the sound and video—generating more attention—as well as the fact that it is easier to share the flat iPad screen (in comparison to a laptop screen). Customers also perceived the presentation as of higher quality and they reported that the presentation was easy to remember.

Research Question 4 How does the innovative medium, motivation, and experience relate to each other?

As illustrated in figure 4.1 (page 38), the different value constructs also seemed to have an impact on each other. The equity of the medium—being a cool, innovative and premium—is not only important for customers’ perception of the message. If the medium’s equity fits well with the intended message, it also enhances the experience through more accurate interpretation of the message through priming effects. Furthermore, the medium equity also seemed to have an effect on the sales force who became more motivated due to the medium being “cool” and innovative. Higher sales force motivation should, in turn, increase the sales reps’ effort and thereby enhance customers’ meeting experience.

5.1.2 The Efficiency Increase

The secondary purpose was to examine the impact on sales force efficiency—categorized into cost savers and simplification. As expected, large efficiency enhancements were found. However, these are directly related to the processes of the case study organization as well as the specific technical implementation.

Cost savers identified were print reduction and price optimization through third party apps. Sales representatives reported that they, on average, printed one quarter of what they used to print—see table 4.3 on page 42 for details. On top, the cost for centrally printed material could be reduced to 53%. Sales representatives also used commercial price comparison apps to find good deals on hotels which also reduced costs.
Simplification of processes enabled reduced time spent on administrative tasks with approximately 30 min per day—table 4.2 on page 40 shows a detailed overview. The simplified work process also enabled the sales force to better leverage existing content. The use of a specific set of content was measured and an adoption increase of 83% was reported.

5.2 Conclusion

Up until today, most sales force technology deployment projects have been focused on value creation through cost savings and productivity gains. This study, however, suggests that managers must shift their focus from efficiency gains solely to technology’s ability to enhance communication and drive sales. To out beat competition today, managers must consider a) the message that the device itself signals to customers; b) the enhanced presentation experience; and c) the technology’s impact on sales force motivation.

5.3 Managerial Implications

In advertising, any marketer would ensure their ad is placed in the “right” magazine or even use innovative technology in case they want to communicate the brand’s ability and that the company is up-to-date—for example using Twitter, Facebook pages and smart phone apps. That is, leveraging values of the medium that goes beyond the functional aspects—like reach or multimedia support.

Similar to advertising, the sales force is a critical part of a firm’s integrated marketing communication. In fact, in some industries, the sales force is the only part of the company that is visible to the customer. I have in this thesis shown how the medium impacts customers’ perception of the message in B-2-B sales presentations which, in turn, has a direct effect on sales. As PC tablets, electronic paper or image projections are replacing paper based presentations—which they will, managers should not only see this as an opportunity to cut costs and save time. Rather, they should leverage these new capabilities to drive effectiveness. In other words, the key measures judging the success of the sales force presentation transformation should reflect sales force effectiveness, followed by the impact on customers’ perception of the company, the presentation experience, and sale force motivation.

Achieving enhanced effectiveness, as seen in this case study, requires managers to rethink their strategy and goal of deploying a new presentation medium to the sales force. The reminder of this section discusses particular managerial implications managers should consider.

5.3.1 New Content Requirements

As we have seen, the new presentation platform provides new means of enhancing the presentation experience. However, to leverage this new capability, content will
have to be developed for the new platform. Rather than simply taking the content developed for advertising campaigns and adding fact sheets to it, content should be developed in a way that leverages medium’s capabilities. In this case study, for example, we developed a solution that allowed the FAM to take a photo inside the perfumery, using the medium’s built in camera, in order to visualize point of sales material. Similarly, the device’s touch screen, compass, GPS, and Internet connectivity can be leveraged to further enhance the experience. For example, interactive content can allow for objects to be touched and moved; movement sensitive virtual tours can give the customer the ability to preview products in their real setting; live information from web feeds can be included inside the presentation; and location relevant data can be pulled up based on the device location. If existing TV copy or other video material is available, this should be reedited to fit the context of the sales presentation. That is, shortened in time with a messages that is targeted to the business buyer and not the consumer.

“To beat out the competition, the sales force needs to be creative with their presentations, using customized apps to deliver more compelling, supporting data points to sales prospects.” (Neumann, 2011)

5.3.2 The Medium Choice

When planning the deployment of a new sales presentation medium, it is likely that the choice of medium will be based on arguments like price, functionality, fit with existing processes, and whether the vendor has a strong competitive position—meaning that investments made in software and systems are likely to last longer. However, rather than solely focusing on cost and efficiency based arguments, managers must also consider the value constructs that drives effectiveness.

We saw that the first mover advantage seemed important for how the medium and, in turn, the company is perceived. Similar findings has also been noted in other iPad implementations.

“For first movers, they are going to provide a higher level of service, or perceived service, than those that don’t offer this kind of capability.” Chris Davey Senior VP at SapientNitro (Zmuda, 2010).

“I wanted to be early in the iPad, because I do think it has a ‘wow’ factor upfront, which is, in technology, good for a period of time. Then it goes away.” (Steinert-Threlkeld, 2010)

Thus, it is relevant to consider the newness value of the device and to get it deployed to the sale force fast. Similarly, the platform’s brand equity may rub off on how the presented brand is perceived. Thus, one should be clear on how one wants to be perceived prior to choosing between, for example, a corporate BlackBerry device or a trendy platform from Apple.

The medium equity also has an impact on sales force motivation—in the iPad case it made sales reps feel proud, elegant and confident. Together with connectivity,
speed and relevant apps, managers should evaluate how their sales force, the actual users, value these features of the device to ensure it also boosts motivation.

Finally, managers should evaluate if the medium provides the features necessary to enhance the desired presentation experience (sound, video, screen size, camera etc.). In other words, managers should not only evaluate if it supports the technical requirements for efficient use of the device (back-end system support etc.).

5.3.3 Driving Effectiveness by Listening to the Customer

Section 3.1.1 presented two roles that sales representatives have—representing the company to the customer as well as representing the customer to the company (Kotler and Armstrong, 2008). So far, this thesis has solely focused on the former. However, given the increasing customer focus today (Söderlund, 1997), managers should consider how the new presentation medium can enable the organization to drive effectiveness by also capturing information about customers’ needs.

I have listed three essential opportunities for the market oriented manager to consider.

**Detailed tracking and adjustments:** As described in section 3.1.4 on page 20, managers typically get information about its salespeople through sales reports, call reports, expense reports, and sales performance in the sales representative’s territory. Using a digital medium for presentations gives managers the ability to extract in depth reports about how, what, and where information is being presented. In fact, many platforms allow managers to pull out reports that show the exact information that was presented during the sales call. Provided with this information, managers can test, adjust and push content as well as training material to users in order to optimize the effectiveness of the sales force.

**Customer co-creation and the re-balanced value chain:** Given Internet connectivity and an interface that humans can interact with while being mobile, more advanced tasks can be performed on the go. This enables a re-balancing of the value chain where value can be created by, or together with, the customer during the sales call. For example, P&G are, in another area of the business, using an iPad app that allows in-store displays to be configured and designed together with the customer inside the store. Suddenly, the customer becomes the designer of the display which poses new requirements on processes while also causing a shift in responsibility for actors in the value chain.

**The ability to capture photos and video on the go:** The camera feature available in most new devices—including laptops, tablets, and phones—means that it is easy for field sales reps to document what it looks like at the physician, the construction place, the store or wherever the customer is based and feed this information back to the organization. This allows greater compliance tracking and improved customer understanding which should translate into increased effectiveness.
CHAPTER 5. DISCUSSION

5.4 Suggestions to Future Research

The purpose of the study was to explore a phenomena qualitatively to identify relevant themes. Thus, it would be relevant to build on the study by examining certain findings quantitatively. In particular, the iPad’s (or another medium’s) signaling effects and media context effects.

The case-study approach is in its nature limited to a specific case. The focus has been on the use of the iPad when presenting fragrances to store managers. How far the findings presented here can be generalized must thus be verified by similar case studies conducted under different conditions. To build on the findings presented in this thesis, I would thus suggest that future researchers investigate if the same positive sales impact can be achieved in radically different industries and if the relevance of the value constructs shifts under different circumstances. For example, it is possible that Apple’s brand equity—the worlds most innovative company that is known for premium prices and quality (Fastcompany.com, 2011)—makes the use of this device more relevant for presentations of exclusive brands. It would be interesting to investigate if it is better to use a different device with, for example, cost centric buyers.

We have also seen that the iPad has a value that goes beyond its functional benefits. Its brand equity and news value make the company using it come across as more innovative and professional. At the same time, more and more companies are pursuing strategies that leverage new technology. For example, companies releases iOS and Android apps, communicate actively on Twitter, and create Facebook pages. For sure, just as the iPad enhances the experience of the meeting using multimedia, these mediums allow for many functional benefits—like greater user reach. However, companies also pursue these strategies in an attempt to signal corporate ability and to be perceived as more up-to-date. Just as this case has outlined how the iPad in itself has an important impact on the message being communicated, it would be interesting to see examples of when other, innovative, mediums have been used as the message itself.
Bibliography


Appleby, J., Jun 2010. Why the ipad is the most important sales tool since the cell-phone. [Online], Available: www.bluefinsolutions.com/insights/blog/why_the_ipad_is_the_most_important_sales_tool_since_the_cellphone [20 Jul 2011].


Appendices
Appendix A

FAM Questionnaire

This questionnaire was handed out to Field Account Managers (FAM) who participated in the test. A total of six users were surveyed and the objective was to capture the quantifiable business value of the iPad. Questions were therefore asked to capture both the before and after state. The questionnaire was translated into German before handed out to the users. However, given the nature of the questions, this should not impact the result and hence only the English version is included here.

The result shows the improvement in satisfaction, presentation material adoption, time saving and print reduction as a percentage increase in comparison to the state when the iPad was not used.
Field Account Manager Survey

How satisfied are you with the tools (e.g. PC, iPad, PDA) you have to support your day to day work? (1=Very Dissatisfied, ___)

How many percent of the time do you use the Shelving Booklet in store? ___

How many hours do you spend in your home office per week:
  Reading and responding to emails _____ hours
  Managing product orders _____ hours
  Preparing data reports for customer visits _____ hours
  Preparing and printing salesfolder material _____ hours
  Managing DIA information (e.g. printing and order taking) _____ hours
  In total _____ hours

How many pages do you print per sales cycle that are:
  Initiative presentation slides _____ pages
  Customer slides for salesfolder _____ pages
  Data reports _____ pages
  Shelving booklet pages _____ pages
  DIA presentation details _____ pages
  In total _____ pages

How many percent of the time do you use the Shelving Booklet in store?
### FAM Surevy Result

<table>
<thead>
<tr>
<th>Simplification indicators</th>
<th>% Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction level</td>
<td>54.84%</td>
</tr>
<tr>
<td>Booklet Adoption (%)</td>
<td>83.33%</td>
</tr>
</tbody>
</table>

### Time savings

<table>
<thead>
<tr>
<th>Activity</th>
<th>% Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>56.67%</td>
</tr>
<tr>
<td>Product orders</td>
<td>0.00%</td>
</tr>
<tr>
<td>Preparing data reports</td>
<td>11.76%</td>
</tr>
<tr>
<td>Preparing presentation</td>
<td>61.36%</td>
</tr>
<tr>
<td>Ordering posters</td>
<td>11.11%</td>
</tr>
</tbody>
</table>

### Print reduction

<table>
<thead>
<tr>
<th>Activity</th>
<th>% Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer specific</td>
<td>49.47%</td>
</tr>
<tr>
<td>Data reports</td>
<td>47.53%</td>
</tr>
<tr>
<td>Planogram info</td>
<td>69.57%</td>
</tr>
<tr>
<td>Poster info</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Appendix B

Customer Questionnaire

This questionnaire was handed out to customers who were visited by the test group. A total of 11 customers completed the questionnaire.
Fragebogen - Kunde - iPad Test

Vielen Dank, dass Sie sich die Zeit nehmen diese Fragen zu beantworten. Die Befragung soll dazu dienen die Präsentation unserer neuen Initiativen zu verbessern.

Allgemeine Information

Stimmen Sie den folgenden Aussagen über die zu?
(1=Stimme überhaupt nicht zu, 2=Stimme nicht zu, 3=neutral , 4=Stimme zu, 5=Stimme voll zu)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Das Präsentationsmaterial war einfach zu verstehen</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich erinnere mich noch gut an die Präsentation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Die Präsentation war lebendig</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Die Präsentation war emotional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Die Qualität des Präsentationsmaterials war excellent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Wie beurteilen Sie P&G Prestige hinsichtlich folgender Punkte
(1=Stimme überhaupt nicht zu, 2=Stimme nicht zu, 3=neutral , 4=Stimme zu, 5=Stimme voll zu)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ist ein innovativer Industriepartner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ist ein moderner Industriepartner</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ist technisch auf dem neuesten Stand</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investiert in das Präsentationsmaterial des Aussendienstes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Stimmen Sie den folgenden Aussagen über den iPad Einsatz im Aussendienst zu?
(1=Stimme überhaupt nicht zu, 2=Stimme nicht zu, 3=neutral , 4=Stimme zu, 5=Stimme voll zu)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Das iPad verbessert das Gespräch mit dem Aussendienst</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Das Zeigen von Videos verbessert die Präsentation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Die Präsentation mit dem iPad ist interessanter als mit einem Sales Folder</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Die Präsentation mit dem iPad ist professioneller</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Die Präsentation mit dem iPad ist persönlicher</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Zusätzliche Angaben zum Kundenbesuch

Nach dem Besuch von Field Account Manager auszufüllen

Wurden bei dem Termin neue Diakästen belegt: _____
Wurde ein Auftrag getätigt und in welcher Höhe: _____
Ungefähr Dauer des Besuchs: _____ Minuten

Benutzte Apps
iShelving
iVisualize
iPresent
Umsatzreport aus Cockpit
Appendix C

Interview Guides

This appendix contains the guides that were used during the structured interviews.
Customer interview guide

Objective is to capture the value perceived by the customer when the iPad is used by the sales rep.

Introduction

- What is your name and role?
- Tell me a little about your background

The iPad

- Overall, what do you see as the greatest value of the iPad?
- How does the fact that sales reps are equipped with iPads instead of papers simplify your work?
- Is it important that it is in iPad or could it be any other device?

Content

- What is your perspective on new, interactive, presentation forms like iVisualize?
- Why is it important with richer content (e.g. videos)?

Sales meeting experience

- How important is the experience of the sales meeting to you?
- Why is it important?
- How do you see using the iPad with apps for presentations improve the experience?
- How does presenting with the iPad change the dynamics of the sales meeting?

Perception

- How does the perception of the sales rep change when equipped with iPads instead of papers?
- How and why do you think the iPad impacts this perception?

Trends

- Do you think digital presentations will become more common in the future?
- Is presenting with tablets common among the sales reps you meet?
- Do you think equipping Beauty Advisors with this type of capability to share information with shoppers would be valuable?
- How can the device be leveraged to further support you and the Field Account Manager?
Sales rep interview guide

Objective is to capture the sales rep’s perspective on the value created with the device and apps

Introduction

- What is your name and role?
- Tell me a little about your background

Simplification:

- How does the device and apps help simplify your day to day work?
  - What is the impact on the amount of pages you print?
  - How and how big do you think the reduction in administrative time is?

Presentation:

- In what ways do the device and apps improve your presentation in store and help influence the sell in?
- Has it change the way you present in store? How?
- Has the physical setup between you and the customer changed and what do you think the impact of this is?
- What impact do you think video/sound/interactive effects have when presenting?
- Do you think it is important that it is an iPad or could it be any another tablet device that supports the same features? Why?
- How do you feel when presenting with the iPad?

Customer response:

- How do customers react to the iPad based presentation?
- Do customers comment on that you are presenting using the iPad? What do they say?
- Does it help create awareness and attract other than the store manager (e.g. Beauty Consultant) to the presentation?

Satisfaction:

- How satisfied are you with the device and apps?
- How does each of the apps help you in your work?
  - iPresent + reports
  - iShelving
  - iVisualize
- If you had all the apps needed, would you still use your laptop and for what?
- Would you recommend the company continue with the iPad and apps as sales force tool?
Appendix D

Focus Group Discussion Outline

The focus group was carried out July 6th, 2011. The discussion was moderated by Claudia Jung from Procter & Gamble’s Consumer Market Knowledge (CMK) division. This appendix includes the discussion outline that was defined prior to the focus group. Focus group participants were encouraged to talk freely. Thus, the intent of the outline was only to help drive the discussion, not to be followed strictly.
Focus Group - Discussion Outline

Device and Core Services
Are you satisfied with the device? Would you like to continue using the iPad as a sales tool?
If you could do everything on your iPad (e.g. order taking and Retail Metrics synchronization), what would you prefer?
   a) Work with the iPad in store and with the laptop in the home office
   b) Work with the iPad only - in store and in home office
   c) Other

How do you feel about having three devices (Laptop, iPad, and mobile phone)?
Have you experienced any issues with email, calendar, VPN, Wi-Fi or any other of the core iPad services?
What do you experience as the greatest value driver with the device (not individual app)?
   Internet access
   Instant on
   Size & weight
   Security
   General usability
   The apps
   Design
   Other...

What do you see as the greatest limitation with the device?
   Virtual keyboard
   The screen
   Missing apps
   Other...

When is the laptop still required?
   Order taking
   Writing longer documents
   Other...

How do you feel when presenting with the iPad?

Training Requirements
Was the training you received at the beginning of the pilot sufficient?
What issues did you experience during the pilot that could have been addressed with improved training?

Digital Sales Presentation Folder
Which are the most important features of a digital sales folder for iPad?
   Push updates
   Video support
   Ability to change order of slides
   Zooming capability
   Ability to add custom slides
   Navigation
   Other...

Which are the greatest benefits and limitations with the presentation app used during the test?

POSM Visualization Tool
How often do you use the app with customers?
Do you feel confident with using it? If not, why?
Which features are most valuable and which features do you miss?
Digital Shelving Booklet
Does this capability improve your ability to influence the use of our recommended planograms?
What are the greatest benefits and limitations with this capability?

Core Apps and Commercial apps
Did you solve any business problems with the help of any additional commercial apps?
Does using the email and calendar increase your productivity?
What are the greatest benefits and limitations with the core apps?
Which apps do you use most?
What functionality do you miss?

Customer Perception
Do you think presenting with the iPad increases customers' willingness to buy?
Does presenting with the iPad give you more attention in store?
Are you better equipped to answer customers' questions in store?