Digital & Social Selling Index

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Taking a managerial perspective, and using a sample of 544 sales professionals in a major European country, this study empirically investigates the adoption of digital social media tools by salespeople in their job, develops a Digital & Social Selling Index aimed at measuring the personal and organizational readiness in the adoption of digital tools, and analyzes the drivers and consequences of digital readiness.

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Among the technological means, digital tools and social media are increasingly attracting the attention of academics and practitioners, particularly in the sales field. A rising number of companies declares using social media to manage client relations (Houssem, 2013), but the majority of these companies also admits using them in an experimental manner (McKinsey, 2012).

Although it is generally posited that the usage of social media improves customer relationships and then, with time, this can generate higher returns (Rodriguez, Ajjan e Peterson, 2016), the nature, extent, goals and success of the adoption of digital and social media by salespeople are largely unexplored.

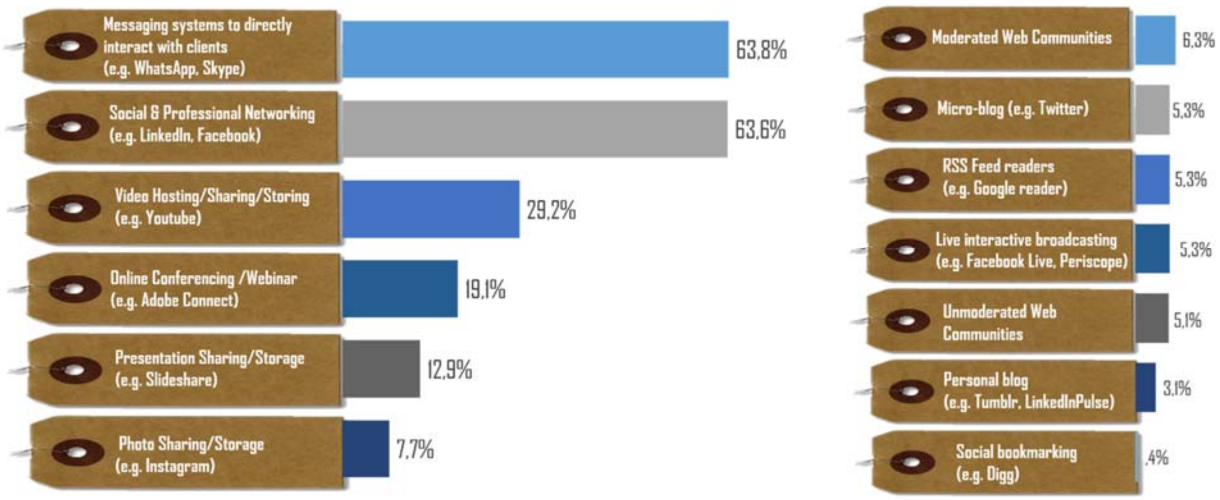
It seems relevant to empirically analyze how and to what extent digital tools and social media are used by salespeople, what drives the adoption of digital tools by sales forces, and what consequences are generated by such an adoption.

THE CURRENT USE OF DIGITAL SOCIAL MEDIA TOOLS BY SALES FORCES

The research investigates the usage of 13 digital social media tools[1]. 89% of the respondents use at least one digital or social medium in their work, but only two tools are used by the majority of the sales people interviewed: instant messaging systems by 63.8%, and social & professional networking by 63.6%. Then there are platforms for watching videos (29.2%), tools for online conferencing/webinars (19.1%) and tools for slide and presentation sharing (12.9%). All the other tools investigated are used by less than 10% of respondents. In sum, 10.5% of the sample use no digital tool, 27.9% use only one out of the 13 tools, 23.7% use two of them, 27.4 uses 3 or 4 tools, and only 10.5% use more than 4 tools.

1. The digital social media tools investigated in our research are the 12 types used in the study by Moore, Raymond and Hopkins (2015), plus instant messaging (e.g. Whatsapp, Skype), i.e a set of tools which was not considered in the original study but impressively grew since then.

Figure 1 - The current use of digital social media tools by sales forces (n=544)



THE DIGITAL & SOCIAL SELLING INDEX

The Digital & Social Selling Index (DSSI) aims at assessing the "*as is*" of a company, allowing benchmarking processes (i.e. comparing different companies or sub-units of the same company, like different business units or regional offices) and supporting the identification of gaps, priorities, roadmaps, etc.

40% of the sample is in an early stage in terms of digital readiness.

Based on a literature review, as well as on a qualitative research phase involving interviews and focus groups with managers, we developed a two-dimensional index (synthesized in figure 1) measuring the personal readiness of a respondent and the organizational readiness of the company (or business unit) the respondent works in. More specifically, personal readiness includes three sub-dimensions related to the digital tool usage: (i) the intensity of use, (ii) the ability to use them and (iii) the perceived relevance for achieving job-related goals. On the other hand, the organizational readiness incorporates two sub-dimensions: (iv) the perceived support provided by the company (e.g. technology and training) to facilitate the adoption of digital tools and (v) the degree of adoption of digital tools by other members of the organization (peers, supervisors and top managers).

By combining these different indicators, the DSSI computes an aggregate score (on a 0-100 scale). Figure 3 depicts the distribution of respondents in our sample: 7.8% are below 25 in the Index and are therefore labelled as "Digital Australopithecus"; 32.1% get a score between 25 and 50 and are defined as "Digital Habilis"; 47.2% are between 50 and 75 ("Digital Herectus") and 12.9% reach the level of "Digital sapiens" (i.e a score higher than 75).

Figure 2 – The structure of the Digital & Social Selling Index

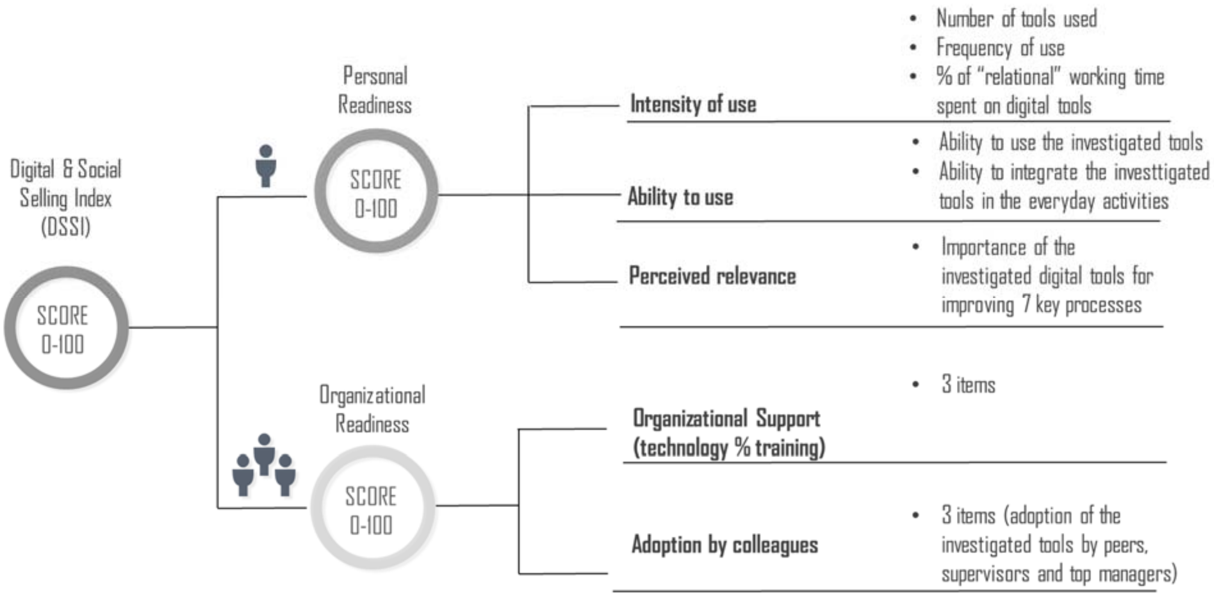
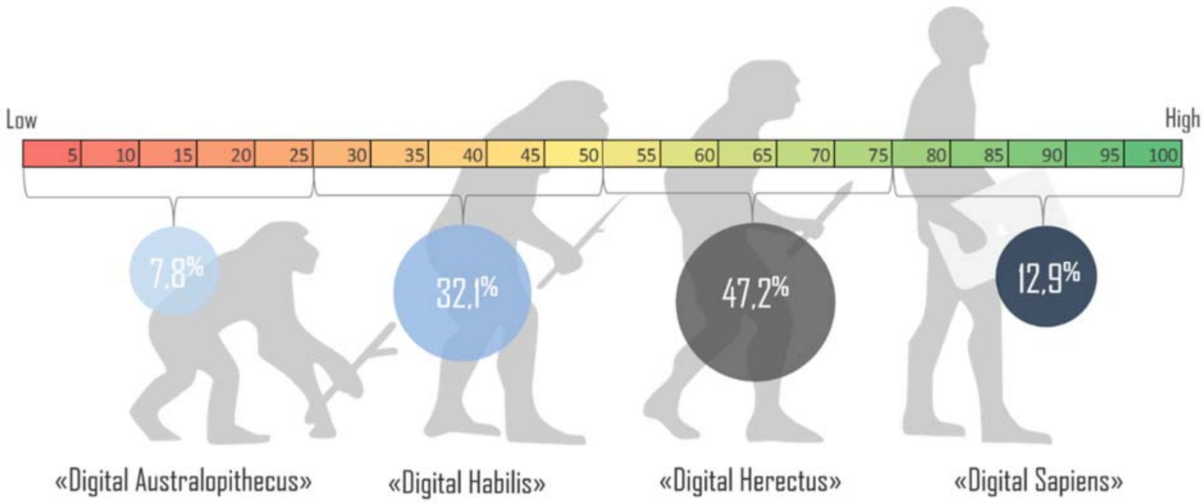


Figure 3 - Distribution of respondents along the DSSI score



The aggregate score of the DSSI is a synthesis of its two macro-dimensions, i.e. personal and organizational readiness. Although we found evidence of a significant correlation between the "personal" and the "organizational" readiness constructs (r=.489), we identified four situations, as a combination of being above or below average on each of the two dimensions (Figure 4). Clearly, in many circumstances there are highly digitalized individuals operating in a poorly digitalized organizational context (Q3) and vice versa (Q1). Such an analysis can be very helpful for companies to identify improvement priorities.

Figure 4 – Distribution of respondents along the two dimensions of the Digital & Social Selling Index

THE DRIVERS OF DSS READINESS

The study hypotheses that the *digital & social selling readiness* could be affected by both individual and contextual aspects. In our model, contextual opportunities are represented by the specific conditions of the market environment, i.e. the propensity of competitors and customers to use social media in business relations. Both factors should represent a "market push" condition and should therefore positively influence the personal and organizational readiness. Regarding individual variables, motivations and ability in our model are interpreted in terms of personal interaction preference, or rather the attitude to prefer face-to-face interactions (as opposed to technology-mediated forms of interactions), and the general attitude towards social media in the daily life.

The market environment positively affects the digital and social selling readiness of both individuals and organizations.

As depicted in Figure 5, the market push increases both the personal and organizational readiness. General trust in social media increases personal readiness, whereas individual preference for F2F interactions has no significant impact on the individual adoption of digital tools for work purposes. Finally, age and job tenure are negatively correlated to it.

THE MANAGERIAL IMPLICATIONS

In our model, we investigated the consequences of digital readiness in terms of the impact of both organizational and personal readiness on commercial performance, on the one side, and distraction, on the other. In fact, with the latter we wanted to investigate a potential "dark side" of digitalization. As depicted in Figure 5, both dimensions of the DSSI Index have a positive, significant impact on (self-reported) performance (i.e. goal achievement), but also on distraction. Furthermore, to get a more fine-grained picture, we analyzed the impact of the aggregate measure of the DSSI on several sub-indicators of performance.

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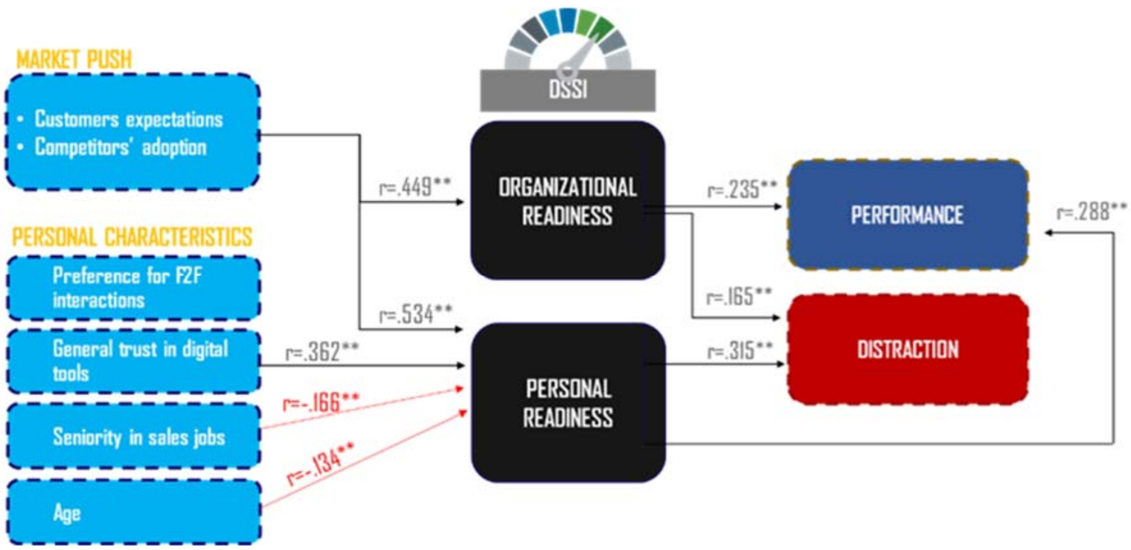
Although the impact is significant for all the indicators investigated, the impact on process outcomes (generating ideas, developing solutions, etc.) is stronger than the impact on bottom-line performance.

Figure 5 –Drivers and consequences of DSS readiness



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CEL aims at:

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- contributing to the growth of sales jobs reputation, making it an attractive choice to talents;
- helping companies to best understand and manage the variables that determine sales performance, even in light of current and future market changes.

For further information please visit the Commercial Excellence Lab's website:

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