The Impact of Social Media Prospecting Activity and Sales Motivation on Sales Performance

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Abstract: This paper examines the impact of social media approaches on prospecting activities of salespeople. Multiple aspects of social media prospecting approaches are reviewed and discussed. In addition, the relevance of sales motivation is addressed. Specific propositions for further research are incorporated.

Key words: social media prospecting; sales motivation; sales performance

JEL codes: M

1. Introduction

The premise of this paper is to examine the relationship between social media approaches, sales motivation and sales performance. This study will also take into consideration the consistency of prospecting activity taking place and its relationship to sales performance. Examples of social media to take into consideration includes LinkedIn, Facebook, sharing of content, and the strategic use of email. The use of social media is not meant to replace more traditional forms of prospecting approaches such as initiating contact over the phone, direct mail, networking and the use of referrals. The perspective is to accentuate a greater use of prospecting capability by strategically utilizing additional digital resources. One of the questions posed in this study asks about the efficacy of incorporating social media prospecting approaches as part of a total prospecting approach.

2. Literature Review

The Use of Social Media for Sales Prospecting:

Social media selling has the ability to facilitate an environment where salespeople can develop and nurture warm calls. Smilansky (2016) has identified that the return on investment through social media prospecting will lead to greater email response rates as well as increased call success rates.

According to Giamanco and Gregoire (2012), social media prospecting has accelerated the shift from a push to pull form of communication with potential prospects. Their research indicates that the majority of sales professionals are not active users of social media for prospecting purposes. Rather, they describe themselves as in the early stages of its use. Giamanco and Gregoire's data suggests that 90% of C-level executives claim to never have responded to either cold calls or unsolicited emails. They recommend the use of LinkedIn, Twitter, Google+ and Facebook for purposes of professional communication. The key is having an understanding of how to start the

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conversation with potential prospects in a way that engages them based on their interests. They suggest that this approach will reduce the amount of time needed to spend researching prospects because prospects will self-identify and be willing to engage in the early stages of the buying process.

Advanced search features on LinkedIn can help identify new LinkedIn members that match your selected prospecting criteria. Wood (2015) state's that a salesperson can have an email sent to them when individuals identified as viable new prospects join the LinkedIn network. In addition, Woods is recommending that if the posting of content could be relevant prospects, it will help establish a salesperson as a product expert and build their own personal brand. This will help retain higher levels of brand awareness when that expertise is needed.

LinkedIn is not only a potentially powerful prospecting resource, it is also a massive database as well. Oechsli (2011) indicates that LinkedIn can be utilized effectively to develop strong foundational first-degree network. From first level connections, second level contacts can be made to decision makers based on first level word-of-mouth influence. As Oeschsli stresses, the purpose is to communicate through LinkedIn in a highly customized manner to identify potential needs, express value for the purpose of having face-to-face first time sales meetings. Oeschsli (2013) also recommends conducting as much research as possible through LinkedIn profiles and Google searches to gain a better understanding of prospects within focused target markets.

In a study of Coca-Cola Refreshments Inc., Meire et al. (2017), determined that Facebook provided the most useful data to qualify prospective beverage serving outlets. The research of Moore et al. (2011) indicates the online tools sales professionals most consistently use to interact with prospects include web-based email services, professional networking sites such as LinkedIn, and online conferencing and webinar services.

2.1 Blogs

According to Garrone (2011), the use of blogs can be a very effective way to provide useful content through multiple portals at the same time frame, including examples such as LinkedIn, Reddit, and Digg. Blogs can get posted on Facebook fan pages, the company's domain website, and a variety of different blog directories for additional exposure. The key to having a blog is that it can ultimately be a useful prospecting component is to provide content that is considered at least 80% of reader interest and only 20% specifically sales related.

2.2 Email

While the use of email communication and email marketing automation for the purpose of developing and nurturing qualified prospects is not considered a social media prospecting tool, Tallman (2017) argues for its efficacy. Her data states that email marketing automation is 40 times more effective than social media at generating leads. Email marketing has on average a return on investment of $38 for every dollar spent. It also allows for greater targeted personalization that can increase customer engagement. Tallman has identified various email automation tools such Campaign Monitor, HubSpot and of course MailChimp and Constant Contact. Approaches to building an email list include blogging, providing a newsletter, free information downloads, free trials and product purchases. The other key advantage stated is that email lists can be segmented specifically by designated criteria.

Francis (2013) is also a proponent to the use of email marketing. She recommends selling organizations set up opt-in email lists with targeted email campaigns to acquaint prospects on products and services. In addition, write articles that your customer base would be interested in reading. For any published articles, send out invitations to your prospect/customer email list.

2.3 Follow Up

The follow up on social media leads generated is crucially important. The research conducted by Cardone

(2015) indicates that his client organizations do not have consistent processes to follow up with online leads. They also are not fully utilizing their CRM applications. Cardone's (2015) findings indicate that 80% of online leads took 5-12 follow ups to have further discussion with the prospect and only 25% of salespeople make two follow up contacts. The average response time for an Internet lead was 44 hours and 65% of companies in the survey stated that they did not nurture the lead. In a digital marketing and sales environment, the immediacy of follow up is crucial to optimize the value of a timely lead.

Blount (2015) makes the argument that the consistent use of the organizations' CRM system for the purpose of developing a prospect database is the most productive activity that can take place for long term profitability. The key is that prospect data from sales people needs to be kept current with completed call notes identifying specific prospect needs, decision makers and influencers. Shacklett (2017) describes further use of salesforce automation/CRM systems by incorporating lead scoring. Automated systems are designed to do three primary tasks according to Shacklett; pull in data, process data and provide output from data. The process of incorporating an automatic scoring system from leads generated can help prioritize the quality of the lead prior to assigning to the salesforce. Examples of social media lead sources include website visits, form submissions, report downloads, opened email or researched information qualifying a potential prospect.

2.4 Sales Motivation

According to Magdalein (2015), there are two factors that lead to inconsistent levels of prospecting activity. The first is to address the lack of efficient prospecting approaches. Secondly, a lack of consistent self-motivation. Maintaining a high level of product knowledge, industry knowledge and competitive insight are crucial for understanding how to communicate with prospects and to stay motivated. In addition, developing a specific ongoing list of relevant goals yet to be accomplished, according to Magdalein, is a productive way to stay motivated. According to Singer (2013), salespeople have the ability to impact their sales activities are the way they view their own sales role. The use of positive affirmations in the application visualizing success can be a useful way of driving productive sales behaviors.

Marshal 2015, makes the argument that from the results perspective there is something more productive than motivation, that being, proper positioning with the prospects that sales people are potentially interacting with. The issue is not to specifically make contact with the prospect at the exact time when I have a problem that needs to be solved. Rather, Marshall believes that proper positioning will help an organization/salesperson establish a reputation for when the prospect is prepared to consider solutions to a problem he or she may be experiencing.

This type of presence can take the form of a relevant advertisement or a value-based content article. The key aspect of positioning is that it can provide the opportunity to be invited to address problems or issues that prospects are experiencing.

2.5 Sales Performance

Graham (2008) states that many people have pictures of how we view ourselves that are different from how others view themselves. He communicates that salespeople behave in a similar manner. The mindset that salespeople have becomes a reality to them. The risk with staying with ta particular mindset is that it may result in a leadership in terms of the relationship salespeople have with clients if that are not consultative by not continually asking about new needs to be addressed. Salespeople should also be informing customers of new alternatives to achieve their business goals.

According to Patil and Syam (2018) salespeople do respond positively to specialized personal incentives such as cash reward based on performance goals on a regular quota time-frame such as a monthly or quarterly basis.   This is particularly the case if the sales direction in the previous quota period is relatively flat. Their research also indicates that salespeople that had high level selling strategies were often also able to increase sales and earn additional incentives. Relatedly, there are specific sales behaviors that lead to higher levels of sales goal achievement as stated by Avila et al. (1988). Specific behaviors include the ability to identify the prospects needs, make quality presentations, generate goodwill for the organization, control expenses, be a productive colleague, have effective time a territory management, and help the company be profitable.

In thorough review of sales performance based research studies over a 25 year time-frame, Verbeke et al. (2011) they found important relationships tied to effective sales performance. The have identified that having high levels of sales/product knowledge, adaptiveness, cognitive aptitude, and high levels of work engagement. They have found these behaviors to be particularly relevant as salespeople function within an increasingly knowledge based work environment.

3. Propositions

This paper serves as a basis for further quantitative based survey research. The proposed research will survey sales professionals that have a significant responsibility for their own prospecting and lead generating activity. The continuing research will focus on the following four propositions:

Proposition 1:

Salespeople that provide relevant content through social media will generate greater willingness from prospects to engage in further dialog than salespeople who do not.

Proposition 2:

Salespeople that actively utilize social media approaches that are designed to expand professional networks will engage a higher number of decision makers than salespeople who do not.

Proposition 3:

Salespeople that consistently communicate through customized email messages that include the request to set an appointment with prospects will have more appointments than salespeople who do not.

Proposition 4:

Salespeople that actively and consistently apply social media prospecting approaches and track prospect progression in CRM systems will have a greater level of sales performance than salespeople who do not.

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