

Organizing Knowledge between Clients

Case of Salesforce at pharmaceutical companies in Japan

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Abstract

This study is intended to clarify how salespeople organize and share knowledge and contribute to the spread of new products in an organizational theory. The fact that the spread of new products is not necessarily based on technical rationality has been derived from previous researches. That is to say, a new product based on excellent technology does not always lead to the improvement of corporate profits.

So, what factors are important in the spread of new products and which stakeholders play what roles? This has been studied from a variety of angles in the past [1]. This study focuses on salespeople in particular. This study will clarify how some products prove popular in the market while others are pulled off the shelves depending on the roles played by salespeople.

Inherently, salespeople play a role in promoting the sale of products. For new products, they focus on the differences between their product and their competitors' products, communicate the superiority of their product, and urge clients the purchase this product. Salespeople's communication with clients is not limited to knowledge of the new product itself. They explain how the new product can be used, where it can be used, and why it is necessary for the client. The more useful this knowledge is to the client, the better salespeople can promote the new product. Consequently, clients build a trust relationship with salespeople which leads to the spread of new products [2, 3, 4, 5].

Previous studies, primarily in the field of marketing, focused on the two-party relationship between clients and salespeople and the knowledge formed therein. However, the higher the level of client knowledge in particular, the more sensitive the difference in knowledge among clients. In other words, the kind of knowledge a certain client possesses about a particular product becomes necessary knowledge for other clients. Therefore, salespeople must sense differences in knowledge among clients and act to fill the gaps in this knowledge disparity.

The research question of this study is what kind of knowledge do salespeople absorb from certain clients to offer to other clients when there is a disparity in knowledge among clients? Or in other words, how do salespeople organize knowledge among clients?

This study focused on the medical pharmaceutical industry. Questionnaires were administered to persons in charge of human resource development at 10 companies headquartered domestically and internationally and followed up with further interviews in order to analyze the organization of knowledge amongst clients, namely physicians, by pharmaceutical company salespeople.

This study found that there are large differences in pharmaceutical-related knowledge amongst clients (the physicians). However, rather than knowledge of the pharmaceutical products themselves, this knowledge difference existed with respect to experience administering the pharmaceutical products to specific patients. Salespeople communicated the experience of certain physicians to other physicians. This allowed salespeople to build trust with the physicians and contributed to the spread of new products. Salespeople also shared this knowledge with one another. These are the findings of this paper. Moreover, this study concluded that the manner in which this knowledge is organized and shared between salespeople is what determines if a new product spreads or not.

References

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