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# Product Knowledge Drives Sales Leadership



By [Serguei Netessine](#), the Timken Chaired Professor of Global Technology and Innovation and Professor of Technology and Operations Management at INSEAD

## **Retail sales associates with strong brand expertise sell 87 percent more than peers without.**

We've all walked into a store before, looking for a little more information about a product before we purchase it. Most of us do some homework online or get our inspiration from an advertisement or an article about it. But what really closes the deal, making us feel good about the product and excited about the experience, is a passionate, knowledgeable retail assistant who convinces us of the need to have it.

The opposite can also be true if we're faced with someone less knowledgeable and disengaged from the brand making us less confident about the purchase and deflating the need to buy.

In [a study](#) with [Marshall Fisher](#), the UPS Professor of Operations and Information Management at the Wharton School, [Santiago Gallino](#), Assistant Professor of Business Administration at Tuck School of Business, Dartmouth College, and in partnership with [Experticity](#), we found that

investing in training to improve product knowledge drove a massive increase in staff sales potential. By examining 63,500 retail sales associates in 330 stores across the United States over 2 years, comparing point-of-sale data to sales associates engagement with brand training, we found staff who had completed just one short online training module sold 69 percent more than those who didn't. Associates who completed six or more modules sold 123 percent more than those who took none.

Performance was even stronger when isolated to specific brand training interaction, with brand sales 87 percent higher for retail associates who engaged with one education module designed specifically for the brand.

### **Bricks vs. clicks**

The proliferation of online sales portals for major store chains has driven much of the consumer purchasing decisions to the internet. This trend has also driven conscious decisions among retail executives to invest less in the front lines and more in the online firepower of their brands. But the findings of our study demonstrate that investment in the staff on the shop floor still matters.

90 percent of all retail commerce still happens in physical stores, so retailers have to keep in mind that consumers still want and seek out expert guidance for their buying decisions. An online forum or a comments section for a particular product on the internet goes some way to taking a customer to purchase decision, but a knowledgeable sales associate can seal the customer's decision.

The research also shows that 50 percent of customers are looking for expert advice on what to buy when they enter a store and 73 percent say product knowledge is what they need most from a sales associate.

With brick-and-mortar retailers spending \$200 billion on their floor employees each year, exploring ways to make that investment more productive and differentiated is sure to be on the top of executive agendas.

### **Building brand advocates**

Retail sales growth continues to prove lackluster, but the smartest brands looking to build their standing and engagement with customers are those **building experiences around their brands**, especially online. But there is much still to be said for building offline engagement and our data proves the

fact that getting retail associates to engage with brands they work for and study the products they sell is one of the most effective tools for increasing sales.

Such a strong frontline staff is not only capable of helping customers make their decisions, but can also build brand advocates.



Serguei Netessine is Professor of Technology and Operations Management at INSEAD. He is also The Timken Chaired Professor of Global Technology and Innovation and Research Director of the [INSEAD-Wharton Alliance](#). He is a co-author of the forthcoming book [The Risk-Driven Business Model: Four Questions that Will Define Your Company \(Harvard Business Press, 2014\)](#). You can follow him on Twitter [@snetesin](#).

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