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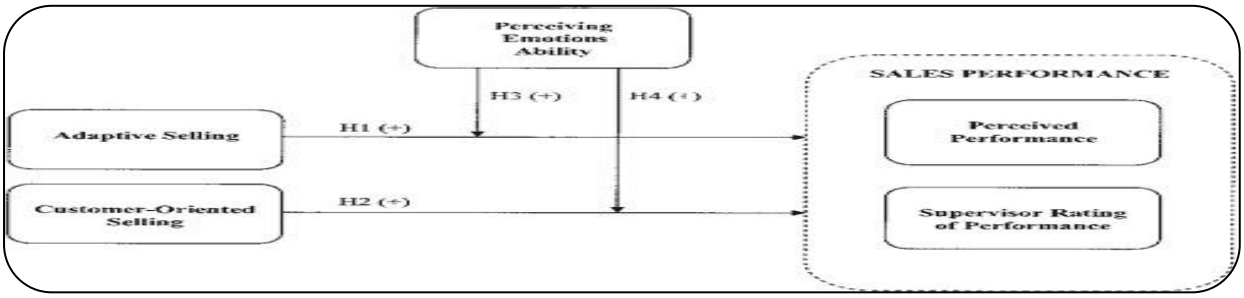

CONCEPTUAL FRAME WORK IN SALES AND SELLING PERFORMANCE

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ABSTRACT :

According to Jobber (2004) personal selling is the marketing task that involves face-to-face contact with the customer and permits a direct interaction between buyer and seller. This two-way communication means that the seller can identify the specific needs and problems of the buyer and tailor the sales presentation in the light of this knowledge.

KEYWORDS : personal selling , dyadic communications , methods of communications.

INTRODUCTION :

In agreement Fill (2002) writes that personal selling is different from other forms of communication in that the transmitted messages represent mainly, dyadic communications. This means that there are two persons involved in the communication process. Feedback and evaluation of transmitted messages are possible, so that these personal selling messages can be tailored and be made much more personal than any of the other methods of communications.

In the same length, Smith and Taylor (2004) accomplish that nowadays selling has moved away from the short term, quick sales scenario.

Conversely, selling today is more about "partnering" and relationship building; selling is about building durable relationships that are dependent on satisfying the customer constantly. That why many companies are now measuring success not just by units sold but also by the far more rigorous yardstick by customer satisfaction.

Types of selling

Academics such as Fill (2002), Govoni et al. (1986) and Tomaras (2001) distinguish the following types of personal selling:

1. *Personal network*: this involves offering onward through a particular channel network to other resellers. They in turn will sell the offering to other members who are closer to the end-user.
2. *Industrial:* here the main type of selling consists of business to business marketing and requires the selling components and parts to others for assembly or incorporation within larger offerings.

3. *Professional*: this type of selling process requires ideas and offerings to be advanced to specifiers and influencers. They will in turn incorporate the offering within the project they are developing.
4. *Consumer:* this form of personal selling requires contact with the retail trade and the end user customer

Fill (2002) accomplishes that a wide range of skills and resources is required for each these types of selling. Selling to each of these types of customer requires different skills; as a result, salespersons usually focus their activities on one of these types.

In contrast, Jobber (2004) distinguishes the types of sellers in three other categories: a) in order takers, b) in order creators, and c) in order getters. Order takers respond to already committed customers; order creators do not directly receive orders as they talk to specifiers rather than buyers; order getters attempt to persuade customers to place an order directly. According to Jobber's framework order-creators are termed "missionary salespeople". Order-getters are either frontline salespeople consisting of new business, organizational or consumer salespeople or sales support salespeople who can be either technical support salespeople or merchandisers. Finally, both types of order-getter are in situations where a direct sale can be made.

The selling process

A number of conceptual schemes have been proposed to explain the various stages in the selling process. For example, Fill (2002) and Jobber (2004) support that the selling procedure includes eight stages which are: the preparation of the sale, the opening, the need and problem identification, the presentation of the selling message, the handling of queries and objection, the close of the sale, the provision of service and support after the sale, and finally the development of the relationship between the seller and the customer (Figure 2.1)

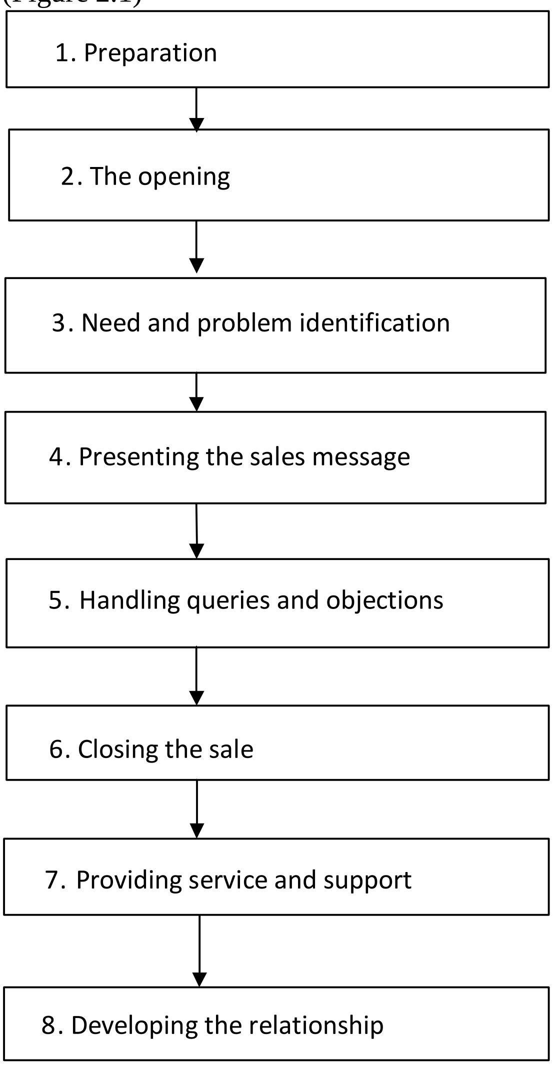

Figure 2.1: The selling process, ***Adapted from Jobber (2004), p. 474***

Fill (2002) argues that the alignment and the rigidity of the sequence should not be overstated, as the actual activities undertaken within each of these stages will vary not only from organization to organization but also between the salespersons.

Preparation:

Preparation before a sales visit can reap dividends by enhancing confidence and performance when face to face with the customer. Jobber (2004) writes that salesmen will benefit from gaining knowledge of their own products, competitor's products, sales presentation, planning, setting call objectives and understanding buyer behavior.

The opening:

Initial impressions often affect later perceptions, and so it is important for salespeople to consider how to create favorable initial response from customers. Factors such as politeness, appearance, attention to detail and listening to the customer are very important (Avlonitis and Stathakopoulos, 2008)

Need and problem identification:

People buy products because they have problems that give rise to needs. Therefore the first task is to identify the needs and problems of each customer. Only by doing so can the salesmen connect with each customer's situation. Having done so, the salesperson can select the product that best fits the customer's need and sell the appropriate benefits.

Presenting the sales message:

The demonstration and presentation provides the opportunity for the salesperson to convince the customer that his or her company can supply the solution to the customer's problem. It should focus on customer benefits rather than product features (Jobber, 2004).

Dealing with objections:

It is unusual for salesmen to close a sale without the need to overcome objections. Although objections can cause problems, they should not be regarded negatively since they highlight the issues that are important to the buyer. The secret of dealing with objections is to handle both the substantive and emotional aspects (Fill, 2002)

Closing the sale:

Inexperienced salespeople sometimes think that an effective presentation followed by convincing objection handling should mean that the buyer will ask for the product without the seller needing to close the sale. This does not occasionally happen, but more often it is necessary for the salesperson to take the initiative. This is because many buyers still have doubts in their minds that may cause them to wish to delay the decision to purchase.

The follow up:

Once the order is placed there could be a temptation for the salesperson to move on to the other customers, neglecting the follow up visit. However, this can be a great mistake since most companies rely on repeat business (Doyle, 2000). If problems arise, customers have every right to believe that the salesperson was interested only in the order and not their complete satisfaction. By checking that there are no problems with delivery, installation, product use and training, the follow up can show that the salesperson really cares about the customer (Jobber, 2004).

Sales force structure

There are numbers of ways in which an organization can structure the sales force, but there are three broad approaches that are mentioned in the business literature: 1) geographic based sales force, 2) product based sales force, and 3) customer based sales force (Fill, 2002; Avlonitis and Stathakopoulos, 2008)

Geographic-based sales force is the most common and straightforward method of organizing a sales force. In this type of sales force, the salesmen is responsible for all activities necessary to sell all products to all potential customers in the region or area in which the territory is located. This method of assignment is used by new companies, in situations where customers tend to buy a range of products, where there is little difference in geographic spread of the products or when resources are limited.

Under the *product based sales force* the organization has different sales teams, each carrying a particular line of products. This is often used by companies with large and diverse products lines. Also organizations with highly technical and complex products, which require specialist knowledge and particular selling techniques, prefer this form of sales force structure.

Finally, organizing a sales force by *market or customer type* is an activity complementary to the marketing concept (Fill, 2002). This form of sales force organization has increased in popularity, as it allows products with many applications to be sold into many different markets and hence different customers.

Fill (2002) also writes that these three approaches to sales force design are not mutually exclusive, and most major enterprises use a combination of them to meet the needs of their customers.

Improving sales performance

Academics such as Kirca (2005), Baldauf and Cravens (2002), Vilela et al. (2007), Yap et al. (2009), Saccani et al. (2006), Hugh and Piercy (2007), Sweet et al. (2007), Booth and Hammer (2009), Johlke (2006), Schlosser (2007), Belham (2006), Senecal et al. (2007), Nagle and Hogan (2007) and Rajagopal and Rajagopal (2008) have studied methods and tactics of sales performance improvement. For example, Kirca (2005) investigated the role of managerial control on marketing activities as a factor that mediates the mode of operation-performance relationship, providing an enhanced understanding of the impact of mode of operation on sales performance. For that purpose the author developed a conceptual framework and a set of hypotheses in order to posit that managerial control on marketing activities act as a process variable between the level of vertical integration of the mode of operation and firm success in international markets. Moreover, the proposed hypotheses were tested using regression analysis with data from a sample of tour operators from Turkey.

Kirca (2005) found that the choice of mode of operation is a critical decision that impacts the performance of service firms in international markets, such that firms which use more vertically integrated modes of operation obtain higher sales performance as a result of their high levels of control on marketing activities. Hence, the writer highlights the importance of managerial control on marketing activities as a factor that should be considered in reviewing and evaluating alternative modes of operation in foreign markets.
Baldauf and Cravens (2002) examined the moderator effects on the relationship between salesperson behavior performance and outcome performance and sales organization behavior performance. In order to address their research objectives, the investigators used a sample of 174 sales managers in Austrian sales organizations. The results indicate that the *salesperson capabilities, type of product, and industry growth* act as a relevant moderator variables (figure 2.2). Each moderator appeared to be important, although importance varied according to specific independent and dependent variables which were used in the study.

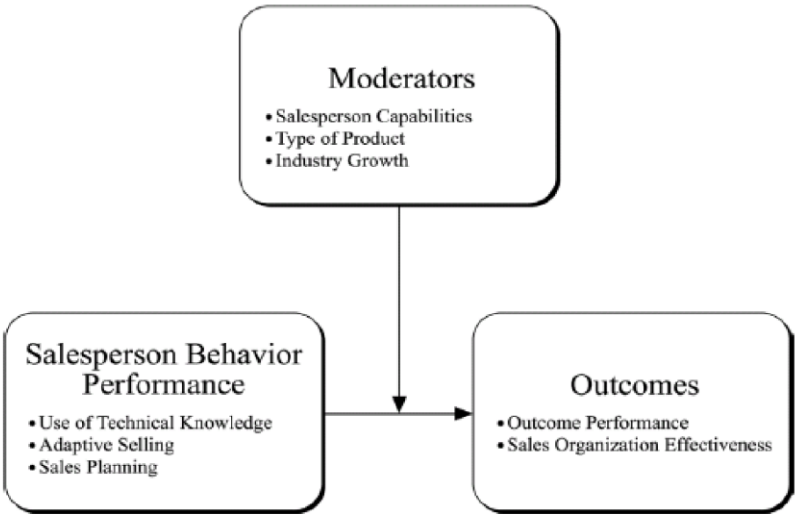

Figure 2.2: Conceptual model of sales organization effectiveness, *Adapted from Baldauf and Cravens (2002)*
Vilela et al. (2007) depicted the number of social and situational factors which influence supervisor's rating of salesperson's performance, primarily operating through affective processes. The data of their study were

collected from 122 salespeople and their immediate managers from 35 firms pertaining to nine different industries. Vilela et al. (2007) found that supervisor-focused impression management was positively related to the supervisor's liking of the salesperson. Consistent as well with prior research is the positive influence of supervisor's affect towards salesperson on the supervisor's ratings of sales performance, both directly and indirectly, through the effect on salesperson's perceived interpersonal skills. Finally, a salesperson's physical attractiveness demonstrated significant positive effects on performance ratings, through the influence on supervisor's liking and salesperson's interpersonal skills. Hence, sales managers should be aware that salespeople might be using impression management tactics and that the use of these behaviors might influence the way that they evaluate their employee's performance. Managers should also remain vigilant to the potential bias based on physical appearance in hiring and supervising salespeople.

Besides, Yap et al. (2009) explored the effects of different reward programs on in-role and extra-role performance of retail sales associates. For that purpose, the authors conducted 11 semi structured in depth interviews with employees from four different fashion retail outlets, Informants consisted of employees from different positions within these organizations (i.e. store manager, assistant store manager and sales associates) to provide researchers with possibly differing viewpoints. Moreover, interviews were content analyzed and classified, according to emerging themes.

Yap et al. (2009) found that certain reward programs, namely individual and group financial incentives motivated sales associates to engage in both in-role and extra-role behavior simultaneously. Further, compared to formal recognition programs, informal reward programs (individual financial incentives, individual social recognition and group social recognition) appeared to be more effective in motivating sales associates to enhance their in-role and extra-role performance.

In the same length, Saccani et al. (2006) analyzed the role of after-sales services in manufacturing contexts, and the related after-sales performance measurement systems. Their study was based in 48 firms which were take action in automotive, household appliance, IT and consumer electronic industries. The findings of Saccani et al. (2006) paper indicate that the role attributed to after-sales activities in the IT and consumer electronics and household appliance industries showed an orientation to improve company image, customer satisfaction and retention (marketing focus). A different situation characterizes the companies studied in the automotive industry. In most firms, however, measurement systems are quite simple and short-term oriented, especially in the IT and consumer electronics and household appliance industries.

It needs to be mentioned that the measurement of non-financial performance emphasizes effectiveness rather than efficiency, and the automotive industry, on the whole, presents more advanced measurement systems, together with more integrated strategic management of after-sales. The household appliance industry, on the other hand, due to the significant presence of SMEs, is characterized by less sophisticated performance measurement systems.

Moreover, Hugh and Piercy (2007) explored the antecedents and implications of collaboration between sales and marketing and further to identify whether there are benefits in terms of business performance of improving collaboration between sales and marketing. The last found that are three types of factor influencing collaboration between sales and marketing: *integrators, facilitators, and management attitudes towards coordination*. Additionally, it was underlined that senior management plays a pivotal role in creating and improving collaboration between sales and marketing, and that there is a positive correlation between collaboration between sales and marketing, and improved business performance (see figure 2.3).

The practical implications of Hugh and Piercy's (2007) study indicate that there appears to be an established relationship between the level of collaboration between sales and marketing and business performance.

Further, the attitude of senior managers to improving coordination is critical to influencing collaboration between sales and marketing. More specifically, these benefits may be in part due to the ability of the organization to respond to the complexity of the market place through collaboration, and aligning sales and marketing activities without removing the necessary uniqueness of the sales and marketing functions.

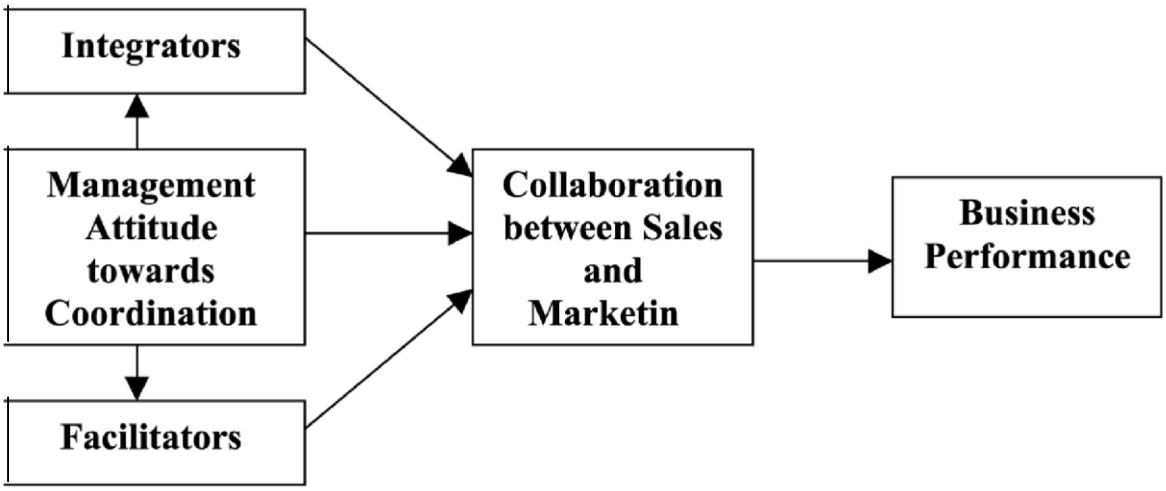

Figure 2.3: Antecedents and consequences of collaboration between sales and marketing, *Adapted from Hugh and Piercy (2007)*

Sweet et al. (2007) used a different approach in their study. In more details, they based on a broad set of indicators of individual and company capabilities, and established a meaningful, straightforward benchmark of sales performance for a cross-industry group of 19 companies, based on the perceptions of their salespeople. The establishment of the benchmark involved the completion of questionnaires by 426 salespeople across 19 companies. Furthermore, the indicators which were used for the development of the benchmark were:

1. *Leadership*, including strategy, decision making, attitudes toward learning, improving, coaching.
2. *Motivation*, including goal orientation and discipline, enthusiasm, planning, attitudes.
3. *Skills*, including communication, negotiation, customer relationships, presentation.
4. *Process*, including company's sales systems, information, records, preparation, follow through and delivery.
5. *Marketplace*, including understanding of the needs of customers, the market, their own products and those of their competitors.

Sweet et al. (2007) found that managers are not investing the time needed to coach salespeople into better performance. It also appeared that companies are failing to recognize and reward sales behaviors that generate the longterm relationships that many companies claim they want to encourage. Traditional training needs assessment may be missing the mark for salespeople. Companies need to take a longer term view, developing sales staff's capacity to learn from experience, share best practice and understand the significance of good sales processes and systems.

Finally, it seems that salespeople are not receiving or absorbing market intelligence and competitor analysis. Their blind faith in the quality of their offering to the customer is contradicted when they admit to worrying about whether the rest of the company will let them down on the after-sales delivery. Booth and Hammer (2009) investigate the suggestion that a strong corporate culture positively influences sales performance in the retail industry. For that purpose company data were used which included the annual employee survey (at store level), store characteristics data, and store sales data - sales intensity (SI) per square foot. Multiple regressions were used to predict SI. In addition, stepwise cross-lagged regression analysis was used to infer cause and affect linkages. Booth and Hammer (2009) found that a physical factor, store format, is the most important element in explaining SI. Employee morale is the most significant human cultural variable, followed by employee perception of manageable work loads. Interestingly, the authors conclude that whilst job satisfaction is a significant predictor, it is in a negative direction. The more employees are satisfied, the more SI decreases.

Furthermore, Johlke (2006) examined the relations between important sales presentation skills and salesperson job performance. In more details, the purpose of his paper was to improve the ability to explain salesperson job performance by more fully explicating the nature and relative effects of a set of specific sales presentation skills that sales managers perceive to be highly important. Data were collected from a sample of industrial, business-to business salespeople. Five sales managers from different firms agreed to distribute questionnaire forms and a stamped return envelope directly to their salespeople. Throughout the actual data gathering process, these salespeople were clearly informed that their participation was entirely voluntary and that their responses would remain anonymous. Of the 400 questionnaires distributed, 236 were returned directly to the researchers (59 percent response rate).

Johlke (2006) found that one of the salesperson characteristics, sales experience, underlies all the sales presentation skills and that the other, training, is associated with both adaptive selling and prospecting. In other words, salesperson experience, and to a lesser degree training, underlie sales presentation skills. Salesperson skill at using adaptive selling techniques and closing are related with increased performance.

Schlosser (2007) with his study proposed that sales managers use mobile technologies in the working environment to communicate and supportively monitor sales person performance. In order to support his proposition, the author developed a model of supervisor monitoring using mobile technologies that specifies the types of behaviors that promote high-quality working relationships, how mobile technologies increase the likelihood of work-to-non work role spill-over that may damage the relationship and why perceptions of supervisor fairness are critical.

The results indicated that mobile technology use, supervisory monitoring, and relationship development co-exist in the current workplace. Schlosser (2007) heightens awareness of how work-to-non work spillover may influence important outcomes of mobile technology usage. In addition, it was mentioned that perceptions of quality supervisor-employee relationships are important to retaining and motivating employees.

Moreover, Belham (2006) investigated causal relationships between sales management programs designed to build customer relationships by solving customer problems and selling firm performance. The results of his paper indicated that consulting-oriented post-sales training and consulting-oriented evaluation are significant influences on sales force efficiency. Consulting oriented evaluation is a significant influence on customer retention. The strongest influences on profit growth are initial sales training and post-sales training learning, but a composite variable of all elements of the consulting oriented sales management program is a significant influence on profit growth.

Hence, the practical insinuations of Belham’s (2006) paper indicate that in industries where relationship building and partnering are considered mutually beneficial and important by buyers and sellers there should be greater emphasis on: listening skills, diagnostic skills, and problem solving skills in sales training; sharing effective strategies to build customer relationships and sharing of effective customer problem-solving strategies in post-sales training learning; measuring customer cost savings and obtaining customer satisfaction feedback in evaluation systems; and compensating salespeople for customer retention, positive customer feedback, and increased sales from current customers.

Senecal et al. (2007) explored the issues of sale force adaption of technology. In particular, the authors investigated if and why salespeople had different technology usage and if the extent of usage had an impact on their performance. Their methodology included two steps: first, a qualitative study was performed to gain insights about extent of technology usage and the reasons that may explain differences. Thereafter, in order to test some of the research propositions that emerged from the qualitative study, an empirical study was conducted with 130 salespeople.

Senecal et al. (2007) firstly found that *innovativeness* is helpful in distinguishing between different technology usage levels across various technologies (internet, e-mail, intranet, etc.). Secondly, their results indicate that the extent of technology usage does not affect salespeople’s performance. In more detail, results suggest that heavy users of spreadsheet software exhibit lower self-reported performance levels than regular or occasional users of that software technology. Although not generalized across most technologies investigated, this finding raises the possibility that the impact of technology use on performance could be moderated by type of technology or appropriateness of technology for the job application.

Nagle and Hogan (2007) support that as companies have moved toward more negotiated pricing, many have adopted this scheme in markets as diverse as office equipment, market research services, and door-to-door sales. Although a small percentage of salespeople cannot make the transition to value selling and profit-based compensation, most embrace it with enthusiasm. However, senior managers must lead this change; sales will not do it on their own. The last suggest that company leaders must develop the appropriate polices, metrics and incentives that align the sales force to measures of profitability. In making this change, however, managers should also be prepared for some unexpected consequences as salespeople begin to focus more on profits and less on volume.

Finally, Rajagopal and Rajagopal (2008) studied the impact of sales team design in reference to the underlying rationale of management control and team coordination as indicators of performance and sales unit effectiveness.

In order to address their research objectives the writers surveyed a sample of 258 respondents, categorizing them in equal proportion into three broad areas: type of sales team, type of product market, and type of sales operations. Four industrial streams in sales were covered while selecting the sample respondents: consumer goods, consumer durables, industrial products, and consumer services.

Rajagopal and Rajagopal (2008) detected the balance between team designing and team coordination in performing sales. More specifically it was found that work environment is largely governed by team coordination effects for the salespeople. Sales team-building process has a substantial effect on sales organization effectiveness both directly and indirectly through its relationship with salespeople’s behavioral performance. Hence, the results of this study reveal that team performance largely depends on the effectiveness of team coordination, leadership and performance control through behavioral attributes. Sales managers may implement such controls effectively by establishing coordination, training, and feedback process rather than imposing command and control policy.

Table 2.1 summarizes the findings of the studies, which were mentioned above.

Table 2.1: A summary of findings

Author	Research area	Findings
Kirca (2005)	Investigation of the role of managerial control on marketing activities and sales performance	The choice of mode of operation is a critical decision that impacts the performance of service firms in international markets, such that firms which use more vertically integrated modes of operation obtain higher sales performance as a result of their high levels of control on marketing activities
Baldauf and Cravens (2002)	Examination of the moderator effects on the relationship between salesperson behavior performance and outcome performance and sales organization behavior performance	Salesperson capabilities, type of product, and industry growth act as a relevant moderator variables which drive to an improvement in the sales performance
Vilela et al. (2007)	Presentation of the number of social and situational factors which influence supervisor’s rating of salesperson’s performance, primarily operating through affective processes	Sales managers should be aware that salespeople might be using impression management tactics and that the use of these behaviors might influence the way that they evaluate their employee’s performance. Managers should also remain vigilant to the potential bias based on physical appearance in hiring and supervising salespeople.
Yap et al. (2009)	Exploration of the effects of different reward programs on in-role and extra-role performance of retail sales associates	Informal reward programs (individual financial incentives, individual social recognition and group social recognition) appeared to be more effective in motivating sales associates to enhance their in-role and extra-role performance.
Saccani et al. (2006)	Analysis of the role of after-sales services in manufacturing contexts and the related after-sales performance measurement systems.	The role attributed to after-sales activities in showed an orientation to improve company image, customer satisfaction and retention (marketing focus). In most firms, however, measurement systems are quite simple and short-term oriented.

Hugh and Piercy (2007)	The implications of collaboration between sales and marketing in business performance	There are three types of factor influencing collaboration between sales and marketing: *integrators, facilitators, and management attitudes towards coordination.* Senior management plays a pivotal role in creating and improving collaboration between sales and marketing, and that there is a positive correlation between collaboration between sales and marketing, and improved business performance
Sweet et al. (2007)	Benchmark of sales performance	Managers are not investing the time needed to coach salespeople into better performance. Companies are failing to recognize and reward sales behaviors that generate the long-term relationships that many companies claim they want to encourage. Companies need to take a longer term view, developing sales staff's capacity to learn from experience, share best practice and understand the significance of good sales processes and systems.
Booth and Hammer (2009)	Test of the suggestion that a strong corporate culture positively influences sales performance in the retail industry	Whilst job satisfaction is a significant predictor, it is in a negative direction. The more employees are satisfied, the more SI decreases.
Johlke (2006)	Examination of the relations between important sales presentation skills and salesperson job performance	Salesperson experience, and to a lesser degree training, underlie sales presentation skills. Salesperson skill at using adaptive selling techniques and closing are related with increased performance
Schlosser (2007)	Mobile technologies and sales performance	Mobile technology use, supervisory monitoring, and relationship development co-exist in the current workplace
Belham (2006)	Investigation of causal relationships between sales management programs designed to build customer relationships by solving customer problems and selling firm performance.	Consulting-oriented post-sales training and consulting-oriented evaluation are significant influences on sales force efficiency. Consulting oriented evaluation is a significant influence on customer retention. The strongest influences on profit growth are initial sales training and post-sales training learning, but a composite variable of all elements of the consulting-oriented sales management program is a significant influence on profit growth.
Senecal et al. (2007)	Sale force adaption of technology	Heavy users of spreadsheet software exhibit lower self reported performance levels than regular or occasional users of that software technology. The impact of technology use on performance could be moderated by type of technology or appropriateness of technology for the job application.
Nagle and Hogan (2007)		Company leaders must develop the appropriate polices, metrics and incentives that align the sales force to measures of profitability. Salespeople should focus more on profits and less on volume.

Rajagopal and Rajagopal (2008)	Impact of sales team design in reference to the underlying rationale of management control and team coordination as indicators of performance and sales unit effectiveness.	Team performance largely depends on the effectiveness of team coordination, leadership and performance control through behavioral attributes. Sales managers may implement such controls effectively by establishing coordination, training, and feedback process rather than imposing command and control policy.

2.6 Conclusions of the literature review

In the chapter of literature review an analysis in the selling process and in sales force improvement was combined. First of all, it was found that selling process is a procedure with includes eight stages which are: the preparation of the sale, the opening, the need and problem identification, the presentation of the selling message, the handling of queries and objection, the close of the sale, the provision of service and support after the sale, and finally the development of the relationship between the seller and the customer .

The review in the literature also indicated that there is a number of factors which assist the improvement of the sales performance. These factors are sales planning, adaptive selling, use of technical knowledge, salesperson capabilities (Baldauf and Cravens (2002), collaboration between sales and marketing departments (Hugh and Pierry, 2007), implementation of training sessions and consultancy programs (Rajagopal and Rajagopal, 2007), focus on the creation of long term relations with customers (Saccani et al., 2006 ; Sweet et al., 2007) and finally focus more on profitability and less in sales volume (Nange and Hogan, 2007).