

Developing customer orientation to enhancing salesperson performance

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Keyword

Salesperson Training Program, Salesperson Relationship Competence, Customers' Orientation, Salesperson's Performance.

Abstract

This study aims to develop empirical model the relationship between salesperson training program on salesperson relationship competence and customer orientation, the relationship between customer orientations on salesperson's performance. The sampling technique use purposive sampling with 158 salespersons on consumer goods in Central Java Indonesia. The data were gathered by interview and questionnaire combination given to respondents. The data were analyzed using SEM (Structural Equation Modelling). The finding of this study showed that salesperson training program has a positive effect on salesperson relationship competence. Salesperson training program has a positive effect on customers' orientation. Salesperson relationship competence has a positive effect on customers' orientation. Customers' orientation has a positive effect on salesperson's performance.

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Introduction

The globalized era demands organizations to manage internal resources to be able to face the competition (Kak and Sushil 2002). The study of Taiwo (2010) explain that organizations had to develop the capability to reach the goal and organization targets. Meanwhile, other researchers also emphasize the importance of organization in managing the information on competition and economic growth to develop their business (Zhang et al. 2015). The organizations with wide market information have big chance to achieve the competition.

One of the attempts executed by firms to develop their business in this global market is increasing the competence of salesperson. It is important for salesperson to manage the information on market condition through direct interaction with buyers (Rocco and Bush 2015). The effort of salesperson influences the decision of consumer to buy the product or service and affect the performance of salesperson's performance (Punwatkarn and Varghese 2014).

The organizations needs to do to improve salesperson's performance is including giving training program (Rahman et al. 2015). Training will influence the ability of salesperson to adapt to competition and effort on developing knowledge of salesperson on the offered products.

Therefore, salesperson also has to be competence in doing orientation with customers (Román et al. 2015). Selling activities done by a salesperson includes; (1) customer identification, an activity of analyzing the situation and real condition at the field especially one related to customers potential, (2) *Customer development*, it is information gathered then analyzed to then drawn a conclusion on how to do next step, (3) *Direct selling*, it is an activity when a salesperson communicate with customers directly face to face in form of written secondary communication through phone or other media (Kiumarsi et al. 2014).

To do the selling activity well needs a relational competence coming from the salesperson himself (Retnawati and Nuryakin 2016). Relational competence of a salesperson according to Saleh and Omarb (2015) is a competence owned by a salesperson to build a relationship with customers and the environment. Furthermore, Peterson and T (1990) assert that salesperson has to be a designer of positive relationship with customers.

The aim of this study is to investigate the mediating effect of customers' orientation on the correlation between salesperson training program and relationship competence to enhancing salesperson's performances. Especially, this research contribution is focused on how the contribution of adaptive customers' orientation is able to explain the correlation between on salesperson's performances on the previous studies.

Theoretical review and hypothesis development

The Relationship between Salesperson Training Program with Salesperson Relationship Competence

Peterson and T (1990) said there are five main dimensions in training program; clear objectives, relevant content, effective technique, trainers' competence, and trainers. This implies that qualified trainers affect the success of training. This success is related to upgraded knowledge and competence of trainees which are the indicators of sales training effectiveness and leading to the improvement of salesperson's performance.

While Dhal (2014) found nine important factors that influence the effectiveness of training program; course plan, trainers, pedagogic, course design, schedule, non-academic infrastructures support, result learning, class environment, and objectives of the program which is considered relevant and important affecting the effectiveness of training program.

Other research done by Honeycutt et al. (1995) found that salesperson training needs more attention from the organization. More, explained on training that is asked to mention the topics in training from an organization, there are five important findings in training program; product information (35%), sales technique (30%), market information (15%), firm information (10%), other factors (10%). While Pettijohn et al. (1994) mentioned the dimensions of training program for a salesperson consists of *personal skills, sales skills, product information, environment knowledge, general competence* that can improve the relationship competence with customers.

Roman et al. (2002) stated that the content of sales training tends to be similar from time to time which focuses on the knowledge of products, market, firms, and sales techniques. One of factors that influences the effectiveness of sales training is course design of the training (Dhal 2014). Other researchers found that sales training program gave positive effect on relationship competence of salesperson. Based on the explanation, a hypothesis formed:

H1: Salesperson training program gives positive effect on salesperson relationship competence

The Relationship between Salesperson Training Program and Customers' orientation

Sales training program is a key factor of personal selling success (Pettijohn et al. 1994); (Asfaw et al. 2015). There are many advantages from sales training, some of them are to overcome problems or failures frequently occur, improve the productivity, to increase the moral, to reduce the worker turn, to improve good relationship with customers, and to improve the time and place arrangement. (Wilson et al. 2002) defined sales training as knowledge provider, e.g.: products knowledge, market and company policy on selling, e.g.: how to sell.

The attempt done by organization to improve long-term relationship between customers and salesperson can be valuable business asset (Matsuo et al. 2002). While Pettijohn et al. (1994) stated that successful salesperson is the one who is able to do adaptive approach to customers and to interact with the customers. Christiansen et al. (1996) stated that sales training for a salesperson consists of selling techniques, company products, communication skill, time management, strategy planning, and company policy. Other researchers said that the point of sales training tends to be similar from time to time which focuses on the knowledge of products, market, firms, and sales techniques (Roman et al. 2002).

Sales training for sales program according to Wilson et al. (2002) defined as a training system aimed to improve skill, rules, concepts, and attitudes that raise the performance. Sales training has close

relationship with increasing knowledge, concepts, and competence that will improve the salesperson competence.

Based on the theory, a hypothesis is formed:

H2: Salesperson training program positively affects the customers orientation

The Relationship between Salesperson Relationship-Competence and Customers' orientation

From the study of Badger and Smith (2000), competence influences the improvement of performance and activities of salesperson, which are based on some causes. First, salesperson with competence will use strategies got to improve the quality of their attitude and activities. Second, the competence adopted in activities will intellectually lead them to think creatively and get profit from their job; maintaining the performance.

Liu et al. (2001) stated that certain job or situation and standard reference, perfect performance/effective, and characteristic of an individual have causal relationship, competence can be defined as motivation, right of ownership and abilities, self-reflection, or the image of social roles, or competence owned by those who have knowledge. Competence clearly differentiates high performance and ordinary one, or distinguishes individual with effective performance and not. Rentz et al. (2002) added that salesperson who is able to reach the sales target determined by the firm is because he has communication skill, selling skill, and technical knowledge. This conclusion is similar with (Cross et al. 2001) who found that salesperson with higher performance focuses on selling to customers and building more personal communication with the customers and being more oriented to build relationship with customers. Contradictory, salesperson with low performance is more oriented to sales and treat every customer in similar way in every selling activity. The study of Navarro et al. (2006) stated that relational competence can be measured by using the ability to communicate ideas about company products as the indicator, to build relationship with customers, and ability to cooperate with other salesperson. Relational competence is described as the ability of salesperson to build good relationship with others. So, relational competence is expected to push the improvement of salesperson's performance.

Based on the theory, a hypothesis is formed:

H3: Salesperson's relationship competence influences the customers' orientation positively.

The Relationship between Customers' Orientation and Salesperson's Performance

The study of (Barker 1999), (Saleh and Omarb 2015) the performance of salesperson is measured through his ability to reach high market for the firm, the improvement of products sales, and the ability to sell products with high profit margin. While the study of (Sujan and Kuman 1994), the performance of salesperson (Rajan 2015) can be measured through some indicators such as; the ability of salesperson to contribute in firm to reach the market target, to sell new products quickly, and to reach beyond target of sales.

Performance, based on Osabiya and Joseph (2015) is defined as real achievement reached by someone or an organization because he executes his duties well. And performance of salesperson is a result from operational process of a salesperson in playing strategic role of a salesperson. Furthermore described that performance is an effect of salesperson's aggressiveness to approach and serve the customers well (Spiro and A. Weitz 1990). Performance can be measured with sales volume as an indicator, sales growth rate, and customers. The performance of salesperson is an evaluation of salesperson contribution in achieving the organization goals (Baldauf et al. 2002).

Previous research by Baldauf et al. (2002) stated that the performance of salesperson conceptually has a function to evaluate the performance related to attitude or activities done by salesperson, and the result can be distributed to their attempts. The dimensions of the performance are shown as attitude performance and the result performance. Salesperson's performance is evaluated using factors that can be controlled by salesperson himself based on the attitude and the result from salesperson. The study of (Baldauf et al. 2002), the performance of salesperson gives positive effect on the effectiveness of sales organization, besides other factors that can influence the effectiveness as a whole and other factors beyond salesperson control, e.g.,; competition, market potential, market change.

According to the theory, a hypothesis is proposed:

H4: Customers' orientation gives positive effect on salesperson's performance

Research Sample

The study took 158 salespersons in Central Java Indonesia area as the samples. The the total sample 158 still able to coverage the sample adequacy referring to opinion (Hair et al. 2010). The technique was purposive sampling which was based on the consideration which salespersons that have taken any training programs held by organizations. Besides, the experiences of salesperson on selling the products also became opinions in choosing the respondents. After data screening, the respondents left to be observed and seen as qualified were 135 respondents.

The technique of data gathering in this study was primary data with direct observation and gave questionnaire to respondents. The design was made as efficient as possible with tools and techniques and characteristics of respondents. The distribution was done by giving written answers for information of questionnaire from the researcher. This was done to the respondents chosen based on researcher criteria; 5 years minimum experiences, selling consumers' products such as food and beverages and daily needs products.

Measuring Scale

Each construction of this research consisted of one external construction; salesperson training program. While internal construction consisted of salesperson relationship competence, customers' orientation and salesperson's performance. Each construction was measured using seven points of *Likert scale* with (1-7) scale to determine the questionnaire responses. Scale 1 showed strongly disagree and scale 7 showed strongly agree.

Research Instrument Testing

The validity test of the construction was done by looking at loading factor value which has loading factor more than 0.60. The result using AMOS program showed that all construction had loading factor value more than 0.60 so all items were stated as valid. The reliability test of the instruments used Cronbach Alpha. The sample observed in this reliability test was 112 respondents. Table 1 showed Cronbach alpha of each item in this research.

Table 1. Measurement scales, confirmatory factor analysis results, and Cronbach's Alpha Coefficient.

Construct and Measurement Item	Standardized Loadings Factor	Cronbach's Alpha
Salesperson Training Program		
Sales skill training program	0.774	0.720
Product knowledge training program	0.800	0.735
Attitude training program	0.712	0.752
Salesperson Relationship Competence		
The ability to build relationship with customers	0.750	0.726
The ability to communicate with customers	0.728	0.655
The availability of customers database	0.679	0.665
Customers' orientation		
The liveliness to interact with customers	0.751	0.722
The creativity in responding customers request	0.716	0.663
The responsiveness in giving information to customers	0.692	0.725
Salesperson's performance		
The improvement of product sales	0.881	0.814
The improvement of customers account	0.824	0.831
The improvement of profit	0.834	0.833
Customers loyalty	0.670	0.886

Findings and Discussion

The hypothesis testing in this study used analysis program called *Structural Equation Modelling* (SEM) AMOS program. The result of analysis from *Structural Equation Modelling* (SEM) in full model can be seen on figure 1. The result of full model confirmatory test showed good result which fulfilled the criteria of *goodness of fit*. The model structure used to describe causalities models with tiered relationship.

The result showed the criteria of goodness of fit fulfilled the *Chi-Square* of 106.701. The probability value was 0.000. TLI values was 0.925, GFI value was 0.896, AGFI value was 0.845 and RMSEA values was 0.075 indicated that those values matched with determined cut-off.

Figure 1. Full Model the Relationship between Salesperson Training Program, Salesperson Relationship Competence, Customers' orientation and Salesperson's performance.

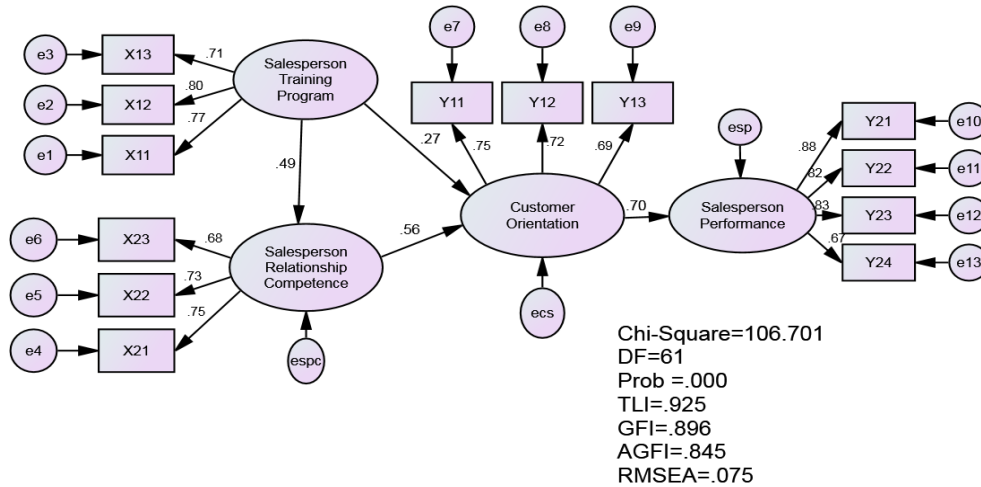


Figure 1 described *standardized path coefficients value* of the relationship between salesperson training program, salesperson relationship competence, customers' orientation and salesperson's performance. The result of this research is also shown in table 2 forming 4 hypotheses.

Table 2. Coefficient Test Result of the Relationship between Salesperson Training Program, Salesperson's Relationship Competence, Customers' Orientation and Salesperson's Performance.

Hypothesis		Standardized coefficients	t value	Prob.	Result
H1	Salesperson training program→ salesperson relationship competence	0.519	4.240	0.000	Significant
H2	Salesperson training program→customers' orientation	0.271	2.417	0.016	Significant
H3	salesperson relationship competence→customers' orientation	0.526	4.359	0.000	Significant
H4	customers' orientation→Salesperson's performance	1.003	6.677	0.000	Significant

Note: *Significant at $p \leq 0.05$; if $(t) \geq 1.96$

H1: *Salesperson training program gives positive effect on salesperson relationship competence.* The hypothesis was shown at estimation parameter of 0.519 with value 4.240, with significant rate $0.000 < 0.05$. So, the hypothesis 1 can be accepted. This gets along with (Peterson and T 1990); (Dhal 2014), who found that salesperson training program gave positive effect and significant on salesperson relationship competence. This research also gets along with Pettijohn et al. (1994) who defines the dimensions of salesperson training program consist of *personal skills, sales skills, product knowledge, environment knowledge, attitude, and other general competencies* that improve the relationship competence with customers.

H2: *Salesperson training program positively affects the customer's orientation.* This was shown at estimation perimeter 0.271 with t value 2,417, with significant rate $0,016 < 0, 05$. Therefore, hypothesis 2 can be accepted. This gets along with (Honeycutt et al. 1995) who stated that *quality training content* gives positive effect and significant on sales training effectiveness. It also matched with the research done by

Wilson et al. (2002) who stated that training system aimed to improve *skill, rules, concepts, and attitudes* resulting improvement of performance. Sales training has close relationship with information adding, concepts, and abilities that will improve the competency of salesperson.

H3: Salesperson relationship competence influences the customers' orientation positively. This was shown at estimation parameter 0.526 with t value 4,539, with significant rate $0,000 < 0,05$. Therefore, hypothesis 3 can be accepted. This is suitable with (Honeycutt et al. 1995) who stated that *quality training content* gives positive effect and significant on sales training effectiveness. This study matched with Matsuo et al. (2002) who found that relationship competence gives positive effect and significant on the effectiveness of sales training in the attempt of getting customers. Similar finding also found by Navarro et al. (2006) who stated that relational competence can be measured by using the ability to communicate ideas about company product as the indicator, also the ability to build relationship with customers and the ability to cooperate with other salesperson.

H4: Customers' orientation gives positive effect on salesperson's performance. This is shown at estimation parameter 1.003 with t value 6,667, and significant rate $0,000 < 0,05$. So, hypothesis 4 can be accepted. This goes along with Baldauf et al. (2002) about the measurement of salesperson's performance related to attitude of salesperson. The study of (Baldauf et al. 2002) also matched with the finding of this research that described the performance of salesperson that gave positive effect on the effectiveness of sales organization.

Discussion

Based on the findings, there are some policies implications with priority can be used as input for management on training program held for salesperson.

The attempt that needs to be done to improve the performance of salesperson, the organization should not only focus on the knowledge or competence related to sales but also giving the knowledge on how to deal with complaints and trauma of customer, analyze their characters, be a good listener, and understand the customers. Besides, giving information on products is also important if it is done consistently and renewably along with the growth happens.

To improve the performance of salesperson, he has to own high performance and focuses more on selling to customers, building more personal communication with them, or to be more oriented on building interaction with customers and improving the knowledge and competencies to reduce failures.

Limitation and Contribution

This study gives the contribution not only in academy research finding, but also the contribution to sales people who work in consumer goods of this sample. This research adds the literatures regarding of salespeople training program and competence and link to salesperson performance study in Central Java Indonesia. As expected by the previous researchers who suggested doing a research regarding the role of salesperson in consumer goods in a country which are developing service business except other countries that have been researched. The results of hypothesis examination with the previous researches are expected to enrich the literatures and further academic research development in the ability of salesperson in giving the sales people training program and the competence of salesperson.

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