

THE ANTECEDENTS OF SALESFORCE PERFORMANCE

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Abstract. Salesforce competence, sales management control, and sales territory design, are conceptualized as antecedents to salesforce performance. All of these variables, according to previous research, have a positive effect on the performance of salesforce. However, the phenomenon that occurs in the field is not in accordance with the previous research. Based on this, the researchers also added competitive intensity variables as a variable that moderate the influence of sales territory design on the salesforce performance. The population of this research is 35 respondents. The number of respondents taken in this study were all respondents or as many as 35 respondents. The method of data collection is done through questionnaire using likert scale. In this study data analysis using Partial Least Square (PLS). Based on the results of research and data analysis using SmartPLS show that Salesforce competence, sales management control, and sales territory design have positive effect on salesforce performance in the Indo Makmur company. Meanwhile, intensity of competition can have a negative impact on salesforce.

Keywords: Salesforce performance, competence, territory, control, competition.

1. INTRODUCTION

The emergence of various furniture companies resulted in the market feeling confused choosing furniture companies to be chosen according to their wants and needs. The management tries to influence the market with product characteristics that can give satisfaction to the needs and desires of consumers. Competition for furniture products is related to the type of product and also the price of various attractive price cuts.

The high level of competition forces the company to have the right strategy in achieving sales targets and always strives to create competitive advantages so that the company will survive. Companies must understand the wants and needs of consumers in relation to creating an intention to buy a product. The company realizes that loyal consumers will have the intention to buy products repeatedly (repeat orders) and can be a source of income. This goal is a heavy burden to the salesforce.

Global trade of furniture has grown rapidly in recent decades due to shipping innovations such as ready-to-use furniture and reduced trade barriers. The increasing openness in the furniture market has led to the furniture trade growing faster than furniture production and manufacturing trade. There are also dramatic changes in the supply and flow of furniture in the global market (Han et al., 2009). These changes ultimately triggered the competition of the furniture industry. Here, the performance of the salesforce as the spearhead in marketing the product plays an important role.

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Salesforce performance is an evaluation of the contribution of salesforce in terms of achieving the objectives of the company (Weitz, 2007). Salesforce performance is useful for testing performance in terms of behavior or things that salesforce do such as sales planning and in the results that can be given to their business.

In the study of salesforce performance, the competence of salesforce is one of the factors that influence the good / bad of the performance (Cravens et al., 1998; Piercy et al., 1993; Lassk et al., 2012; Grant and Cravens, 1996). Changes in economic and technological conditions and their trends will affect consumers and their behavior. This pattern of consumer behavior causes the tendency of consumers to move to other producers to be higher, because consumers are motivated to look for better alternatives. This means that the task of marketers managing loyal attitudes and consumer purchase intentions becomes more complicated, marketers must also be prepared for changes in consumer loyalty. Facing a situation like this, the competence of a salesperson is really needed.

Salesforce competence can be defined as skills learned by individuals in carrying out the tasks required for sales work (Rentz et al., 2002). There are 5 dimensions in the salesforce competence variable (Piercy et al., 1998) namely: Technical Knowledge (Cravens et al., 1993), Adaptive Selling (Spiro and Weitz, 1990), Teamwork (John and Weitz, 1989), Sales Presentation (Behrman and Perreault, 1982; Cravens et al., 1993) and Sales Support (Babakus et al., 1996).

Today's competence of salesforce is not enough because buying intention and loyal attitude of consumers to the company are also strongly influenced by consumer trust. Trust is the basis of a business relationship and is an important prerequisite in a business interaction. The effort to maintain that trust is the essence of management control. Empowerment has long been considered to play an important role in group development and organizational effectiveness by researchers and management practitioners (Li et al., 2015)..

The role of the management control system in improving the performance of future sales is through monitoring, directing, evaluating, and rewarding carried out by sales managers within the company (Cravens and Piercy, 2013: 386-387). The role of sales management control in improving the performance of salesforce cannot be ignored (Piercy et al., 1999; Piercy et al., 1998; Baldauf et al. 2001). The manager's role is very important when a salesperson does not meet expectations, the sales manager will train the salesforce in various ways to improve his performance.

In addition to the sales management control, the determination of sales territory design in determining the performance of salesforce needs to be considered (Piercy et al., 1999; Grant, 2001; Piercy et al., 1998; Baldauf and Cravens, 2002), because of the sales territory design, salesforce have clearer work responsibilities and a balanced workload through regional design (Grant, 2001). According to Piercy et al. (1998) the design of the sales territory includes problems such as: determining boundaries (or allocating responsibilities); decide the size of the salesforce; and, allocating selling efforts to all customers and prospects.

Salesforce are the spearhead of many companies, as well as the Indo Makmur company engaged in furniture. Salesforce is the main marketing strategy run by the Indo Makmur company. This clearly makes the company from Purwokerto so dependent on the performance of salesforce in selling its products.

Table 1. Indo Makmur Company Sales in 2015-2018

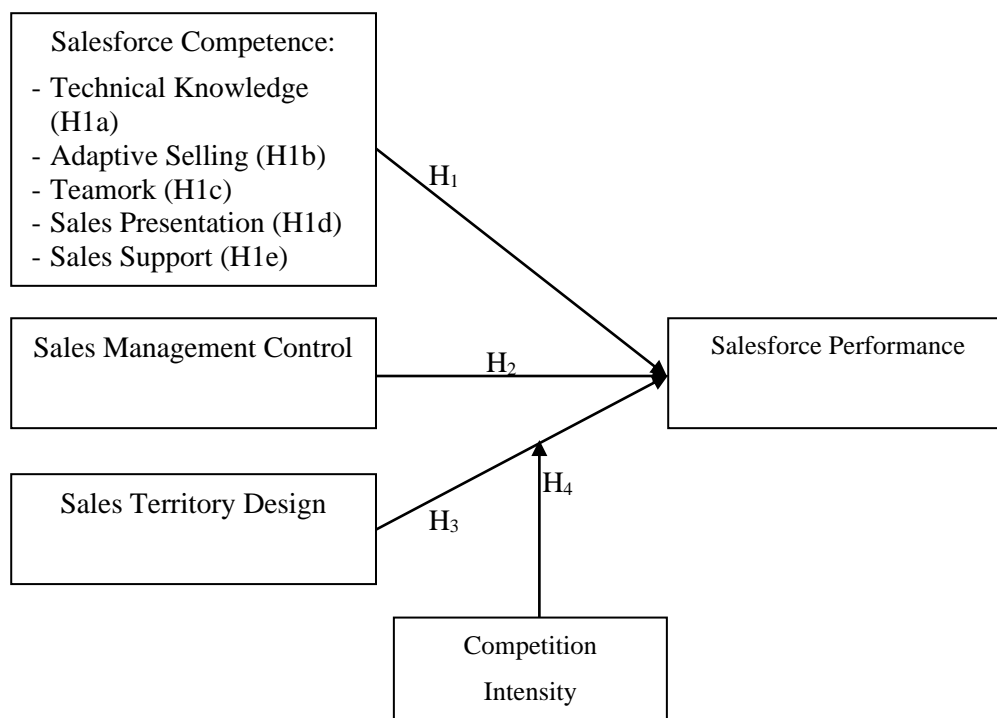
Year	Sales
2015	Rp 2.373.649.000
2016	Rp 1.800.981.000
2017	Rp 1.690.535.000
2018	Rp 1.389.670.000

Based on Table 1, there is a decrease in sales every year from 2015 to 2018. The decline in sales is an indication of the need for a study of the performance of salesforce at Indo Makmur company, because based on research from Piercy et al. (1999) and Piercy et al. (1998) stated that salesforce competence, management control system and sales territory design had a positive effect on salesforce performance.

Based on this, the researchers also added competition intensity variables as variables that moderate the influence of sales territory design on the performance of salesforce. Alexander (1988) in his research found empirical facts that businesses related to competition must always look for new breakthroughs to become market leaders. Meanwhile, Keaveney (1995) concluded without competition even though products or services were not attractive to consumers, this was due to the emergence of new needs for consumers. Therefore the intensity of competition can moderate the influence of sales area design on the performance of salesforce because different levels of competition are thought to affect the level of influence between the design of the sales area and the performance of different salesforce.

Coryanata (2014) defines market competition as market conditions contested by various companies to attract consumers. Competition is at the core of the success or failure of an organization.

Figure 1. Resarch Model



2. RESEARCH METHODS

The population in this study were salesforce who worked in the Company of Indo Makmur Purwokerto, Purbalingga and Bumiayu, which numbered 35 people. This study uses the census method because if the number of members of the subject in the population is less than 100, it should be taken entirely (Arikunto, 2013: 95).

The variables to be analyzed in this study include, (1) Salesforce Competence is the ability of salesforce to market the company's products. In this variable there are five dimensions with 23 indicators (Piercy et al., 1998) that will affect the performance of salesforce, namely: Technical Knowledge (Cravens et al., 1993), Adaptive Selling (Spiro and Weitz, 1990), Teamwork (John and Weitz, 1989), Sales Presentation (Behrman and Perreault, 1982; Cravens et al., 1993) and Sales Support (Babakus et al., 1996). (2) Sales management control is a system used in planning various company activities in order to achieve its objectives which include activities such as: monitoring, directing, evaluating, and rewarding. Indicators in this variable (Cravens et al., 1993) include monitoring the salesforce, directing salesforce, evaluating salesforce, and rewarding salesforce. (3) Sales territory design is the allocation of sales area into an efficient area entrusted to the salesforce. Sales territory design indicators (Piercy et al., 1998) are the level of salesforce satisfaction with market potential in the area of salesforce set, geographical size in the area of salesforce assignment, workload equality across the region, and overall design in the assignment area. (4) Salesforce performance are indicators of the success of performance or an achievements achieved by salesforce in order to achieve the organizational goals. Variable of performance of salesforce can be measured from the performance of outcomes, such as meeting sales targets, and generating high sales levels and selling products with high profit margins (Cravens, 1993). (5) Competition intensity as a variable that moderates the design of sales areas towards the performance of salesforce. The intensity of competition is the perception of salesforce towards the level of competition faced by companies in fighting over the market. Homburg et al., (2002) and Coryanata (2014) state that competition intensity variables can be measured by the increasing number of competitors, the level of competition is very high, often competitors make product innovations.

The method of data collection is done through a questionnaire, where the questionnaire uses five measurement scales (Likert scale). Where "one (1)" shows strongly disagree and "five (5)" shows strongly agree. In this study data analysis used the Partial Least Square (PLS) approach.

3. RESEARCH RESULTS

Based on the results of data analysis using SmartPLS 3.0 software obtained the value of loading factor for all variable indicators greater than 0.7 so that empirical data is feasible to be analyzed further. The analysis is used to prove the hypothesis. PLS output for testing hypotheses as follows:

Table 2. Path Coefficient

Latent Variable	Explanatory	Original sample	Information
Salesforce competence			
- Technical Knowledge	Salesforce Performance	0,309	Accepted
- Adaptive Selling	Salesforce Performance	0,075	Accepted
- Teamwork	Salesforce Performance	0,069	Accepted
- Sales Presentation	Salesforce Performance	0,224	Accepted
- Sales Support	Salesforce Performance	0,092	Accepted
Sales Management Control	Salesforce Performance	0,289	Accepted
Sales Territory Design	Salesforce Performance	0,257	Accepted
Competition Intensity*Sales Territory Design	Salesforce Performance	-0,195	Accepted

Based on the results of the analysis (Table 2), it is concluded that all latent variables have positive effect on the performance of salesforce.

Meanwhile, competition intensity as moderating variable can affect the relationship between sales territory design and salesforce performance (-0,195) which means the higher intensity of competition, the salesforce's performance will decrease.

4. DISCUSSION

4.1. Effect of technical knowledge on performance

The test results show that the salesperson's technical knowledge has a positive effect on the performance of the salesforce. Smart and competent sellers can be a significant link between consumers and companies. This is in accordance with the study of Lassk et al. (2012) which states that if sales training develops into a more collective effort between salesforce and sales managers, it will be a good synergy in increasing sales.

Competitive salesforce must have the ability to know the design and specifications of the products sold. Knowing how to use and function the products sold includes competitive demands for a salesperson.

Furniture of Indo Makmur company uses new technology that will show heterogeneity in the improvement of the performance dimension. Heterogeneous knowledge enhancement is an informative dependent variable in adopting new technologies. Therefore, competitive salesforce must follow developments in the production and technology of the product of Indo Makmur company.

4.2. Effect of adaptive selling on performance

The test results show that adaptive selling force has a positive effect on the performance of the salesforce. Knowledge of the techniques that have been owned by salesforce is not enough to support their performance if the knowledge is only limited to mastery of knowledge without implementation. Therefore it must be considered that the ability of salesforce to adjust to the market environment (Edmondson, 2003).

Adaptive ability to market must be owned by a competitive a salesforce. Salesforce must have the courage to try various sales approaches according to the field situation. However, this adaptive ability is not absolute because Indo Makmur Furniture salesforce must be flexible in using the

sales approach. This flexible ability means that salesforce are able to adjust to the sales approach that is different from one customer to another. One implementation of these capabilities is being able to use a variety of different sales styles according to conditions.

4.3. Effect of teamwork on performance

The test results show that salesforce cooperation has a positive effect on the performance of the salesforce. The analysis means that Indo Makmur salesforce cooperate with each other in sales such as the involvement of supervisors or other sellers.

The observation shows that an Indo Makmur Furniture salesperson is able to produce a large enough sales volume from sales even though it is not done jointly by two or more salesforce. But it does not mean that the salesforce is separate from other salesforce because they have to build strong working relationships with other people in the company. The relationship is mainly with non-sales employees to close sales. After-sales issues sometimes required salesforce to coordinate very closely with other company employees to deal with problems that arise after-sales.

4.4. Effect of sales presentation on performance

The test results show that the sales presentation has a significant effect on the performance of the salesforce. The ability of salesforce to work as a team will be better able to deliver sales presentations. Perreault's (1982) finding that only listening to complaints from other salesforce can identify and understand customers. Morgan (1998) concluded that understanding customer problems is a good form of presentation. Clear presentations can provide solutions to customer questions and objections.

Indo Makmur Furniture salesforce are required to listen carefully to buyers to identify and understand the interests of customers. This is intended to be able to convince customers that salesforce understand the problems and unique interests of consumers. Some cellular numbers that were recorded during understanding consumer complaints can be used to develop new customers. Owned technical competence will be able to communicate sales presentations clearly and consistently. Finally, of course the Indo Makmur Furniture salesforce is not only required to be able to listen to consumer complaints but is able to find solutions to customer questions and objections.

4.5. Effect of sales support on performance

The test results show that sales support has a significant effect on the performance of the salesforce. This means that even if the seller's technical ability is good enough without management support, his performance will still be poor. Babakus (1996) concludes that support for sellers will improve sales performance.

An Indo Makmur Furniture salesperson is not only limited to selling products to consumers but must be prepared to provide after-sales services. Salesforce must always handle customer complaints. Checking product delivery includes the competence capabilities of salesforce because shipping goods is not the responsibility of the salesforce, but still has to monitor and ensure that the product is delivered according to the order. Handling various complaints as a form of sales support can be used to analyze product use experience to identify new product ideas.

4.6. Effect of sales management control on performance

The test results show that sales management controls have a significant effect on the performance of the salesforce. Management control guarantees that it can run effectively through strict supervision and facilitate the ability of subordinates to perform. Li's research (2015) proves the relationship between management control and contextual performance and innovation.

The results of this study are supported by Chan (2003) who argues that management control strategies can be characterized as interventions to improve employee self-efficacy and

intrinsically motivate employees, thus creating support-based relationships between management and employees. Employees contribute to management in the form of actions not only by performing core tasks better, but also by adopting behaviors that support performance even though management does not regulate it.

Control management includes directing salesforce in doing work. Always providing rewards when an accomplished salesperson is indirect control.

4.7. Effect of sales territory design on performance

The test results show that the sales territory design has a positive effect on the performance of the salesforce. This is because the sales territory design is a key element that is able to encourage or motivate salesforce to be more effective in carrying out the duties and responsibilities of the salesforce.

This result is supported by Varela's (2010) study which concludes that there are specific cultural variations in each region that prove the need for the distribution of behavior of salesforce in controlling the market. The results also show that individuals who fail to master the market usually do not know the target market area. One indicator of the success of territory design if the salesforce is satisfied with the market potential in the sales area, the size of the geographical area that is in line with the equality of workload in the entire territory

4.8. The moderating effect of the intensity of competition on sales territory design

The test results show the intensity of competition moderates the sales territory design in its effect on the performance of the salesforce. Luthans et al. (2007) concluded that sales success based on the assumption of employee capabilities is often disappointing, even salesforce who are familiar with the area but have relatively low marketing capabilities often show good performance.

The negative influence of competition intensity is due to increasing competition or competitors in the work area. Keaveney (1995) concludes without competition even though products or services are not attractive to consumers, this is due to the emergence of new needs for consumers. Territory design in furniture companies is important to identify the actions of sellers and customers and evaluate the extent of market expectations. More importantly, territory design helps encourage shared value creation to increase the benefits for salesforce to understand the market further.

5. CONCLUSION

The latent variables of the salesforce competence, sales management control, and sales territory design have positive effect on salesforce performance in the Indo Makmur company. Apart from these latent variables, it turns out that the intensity of competition can have a negative impact on salesforce, because even though salesforce have competitive abilities, it does not guarantee that it will provide good performance if the intensity of competition is strong enough

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