

Modeling Factors Affecting Salesperson Behavior Using the Grounded Theory

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Abstract

The present research considers the behavior of the seller as a dependent variable and identifies several factors that result in the formation of the salesperson's behavior. This study was carried out by the exploratory approach, the qualitative methodology and Grounded theory. To this end, we used open interviews with three questions with the content of the factors affecting the salesperson's behavior, the seller's response and behavior in engagement with the customers. The findings show that factors such as personal creativity, interest to the job, level of knowledge and awareness, purposefulness, experiences, level of earnings, skills, type of rules applied in the organization, attractiveness of organization and industry, customer performance, support of colleagues, sellers motivation and working environment can be considered as influencing factors on salesperson's behavior in the context of technical, personality, social and environmental variables and presented as a model. By carrying out interviews, coding and obtaining the contents, pattern of seller behavior is determined. Accordingly, the behavior of the salesperson is directly affected by technical, personality and social factors. Based on this model, factors affecting the salesperson's behavior are influenced by the "environmental variables", which indirectly affect the seller's behavior to some extent.

Key words: Salesperson Behavior, Sales Management, Grounded Theory

Introduction

In the current market, apart from the quality of service and goods, the way of sellers' behavior toward customer may be a key factor in value proposition, and can determine companies' final success or failure. This matter intensifies the role of active employees who have the first-hand experience with the customers. Salesperson behavior can also lead consumer satisfaction or dissatisfaction and customer loyalty (Shankar, 2016).

However, markets are become more complex as a result of increasing types of services and goods, personalization and vacillation of consumers' preferences (Jones et al., 2005; Blocker et al., 2012). This matter has highlighted the role of sellers which made businesses improve their human resource performance in terms of psychological, behavioral and organizational (Bradford et al., 2010; Boyer et al., 2012; Hartmann and Rutherford, 2016).

Recent studies on salesperson performance emphasize that salesperson's individual characteristics and behavioral indicators determine their behavioral approach. This is by far more effective than the supervisor's control. According to some surveys (Kidwell et al., 2007; Wong & Tan, 2016), seller's approach has a direct significant relationship with his/her sales performance.

Because the salesperson's performance is based on the evaluation of their behavior in customer interaction, their customer-centricity depends on their willingness to meet customer needs. In this regard, Zablah et al. (2012) emphasize that a salesperson's tendencies are more psychological than behavioral. If a salesperson is customer-centric, they will strive to work in a way that provides the most benefits for the customers and satisfy their needs.

The behavioral approaches applied by the salesperson are decisive in that they encourage them to engage in behaviors that bring value to the customer and strengthen the potential for value-driven sales by the company. Based on this, the application of sales behaviors by the salesperson that bring value to the customer can effectively manifest customer-centricity in the business market. The salesperson's behavior with the customer and the interaction they establish with them leads to an understanding of the company's potential in terms of customer-related business performance and at the same time provides them with worthy proposals. In addition, this helps to establish efficient communication between the salesperson as the company's representative and customers, which ultimately will lead to achieving sales goals. These are recognized in business literature as key elements and effective factors on salesperson behavior.

Upon what mentioned above, this survey aims to determine which factors affects salesperson behavior toward customers.

Literature

In a study, Demirgüneş (2016) investigated the relationship between the ethical behavior of the salesperson and the repurchase behavior of the customer, taking into account the mediating role of satisfaction with the interaction with the salesperson, trust in the salesperson and the company. The statistical population of this study included bank customers in Turkey. The research data collection tools were survey forms in the form of questionnaires, and data analysis and hypothesis testing were performed using SPSS software and structural equation modeling method. The findings of this study showed that the ethical behavior of the salesperson affects the repurchase behavior of the customer through trust in the company, the salesperson,

and satisfaction with the interaction with the salesperson, and this amount increases through the impact of interaction with the salesperson and trust in the company.

Wong and Tan (2016) in their study investigated the effect of supervisory control on salesperson performance and the mediating role of adaptive selling behavior. The statistical population of this study included active salespeople in pharmacies in Malaysia, of whom 154 people participated in this study. The data collection tool was a questionnaire, and the research data analysis and testing of the hypotheses considered in this study were performed using SPSS and PLS software and structural equation modeling techniques. The findings of this study showed that supervisory control as a controlling activity has a positive and significant effect on salesperson performance, and adaptive selling behavior significantly mediates the relationship between supervisory control and salesperson performance.

Shankar (2016) in his study investigated factors such as ethical behavior, emotional intelligence, listening ability, and communication skills in salespeople and their impact on the type of purchase decisions they make. The statistical population of this research included customers in India, of whom 75 people participated in it. The data collection tool was a questionnaire, and the analysis of the data collected and the testing of the research hypotheses were performed using SPSS software, regression and correlation methods. The findings of this study showed that communication skills are more important than ethical behavior, emotional intelligence, and listening ability.

Murshed and Sangtani (2016) investigated the effect of optimism and effort on salesperson performance through the moderating role of managerial support. The statistical population of this study included active salespeople in the United States, of whom 120 people participated in this study. The data collection tool was a questionnaire, and the analysis and review of the data and testing of the hypotheses were performed using SPSS, PLS, and structural equation modeling techniques. The findings and results of this study showed that managerial support positively moderates the relationship between effort and salesperson performance and negatively moderates the relationship between optimism and performance.

Miao and Wang (2016) in their study investigated the relationship between customer orientation in a functional and relational way with salesperson creativity, taking into account the moderating role of transformational leadership, and on the other hand, the interdependence of sales units and, subsequently, the impact of salesperson creativity on sales performance, taking into account the moderating role of customer-centric cross-functional behaviors. The statistical population of this study included active salespeople in the business sector and on a business-to-business (B2B) basis in the United States, of whom 192 people participated in this study. The data collection tool was a questionnaire, and the research data analysis and testing of the hypotheses were performed using SPSS software. The findings of this study showed that customer orientation from a functional and relational perspective has had a positive and significant effect on salesperson creativity. Also, transformational leadership moderates the relationship between relational customer orientation, and on the other hand, creativity and interdependence of business units moderate the relationship between functional customer orientation. In addition, salesperson creativity has a positive and significant effect on sales performance, and the positive moderating role of customer-centric cross-functional behaviors has been confirmed.

Methodology

Given the available subject matter and the studies conducted, the concept of sales behavior analysis is one of the topics that should be investigated with an exploratory approach and qualitative methodology. Regarding qualitative research, it can be said that studies conducted over the past two decades have shown that research conducted with a qualitative approach has had a significant growth (Denzin and Lincoln, 2005). The method used in this research, among the qualitative methods, considering the purpose and research strategy, is the theory-based data or grounded theory. This theory is a method for systematically examining qualitative data, with the aim of achieving a "theory" or "hypothesis." This approach is an inductive approach, in other words, in this approach, "the whole" (theories) is inferred from "the part" (specific and detailed data). The research method is based on the overall content of concepts, categories, and theories. The main elements in this method are concepts, because theories are created through the conceptualization of data. The initial goal in grounded theory is to understand a phenomenon by identifying the elements and details of that phenomenon, and in the next step, the relationships between these elements are categorized.

In this study, data sample were sellers and sales managers and 15 interviews were done under unstructured interview until data saturation. Data saturation means that no new code or concept is derived by continuing the interviews and a reasonable relation between codes are derived. After the first interview, open coding was commenced which resulted in primary codes. Continuing interviews, new codes derived and the previous codes approved. Codes were analyzed in three steps by the aid of grounded theory.

Results

Upon three step coding, 156 codes were clustered in 71 meanings and finally resulted in 4 major and 15 minor variables. Technical variables (Table 1), personality variables (Table 2), social variables (Table 3) and environmental variables (Table 4) were the four major variables.

Table 1 Technical variables

Major Variable	Minor Variable	Concepts
Technical variables	Individual creativity	Explaining and presenting the product in a creative way
		Doing sales in a smart way
		Having new ideas to meet customer needs
		Ready to offer for different behavioral states and customer offers
		Creating and implementing creative sales ideas
	Seller's experience	Work experience in the current company
		Related work experience
		Work experience in challenging positions
		Daily involvement in selling
	knowledge	Duration of participating in related workshops
		Amount of study related to selling
		Level of education

Table 2 Personality variables

Major variable	Minor variable	concepts
Personality variables	Seller's skill	Sales presentation skills

		Capability in customer technical justification
		Seller's negotiating power
		Decorating goods attractively
		Analyzing customers
	World view	Differentiation
		Having a customer service mindset
		Consecrating sales and sales activities
		Belief in a halal day
	Interest in the profession	Adherence to ethical principles
		Encouraging continuous development of knowledge and skills
		Being on time in the store
		Not doing anything other than sales
	Seller motivation	Having a goal and dream in the sales job
		The degree of tirelessness
		The amount of past failures in the sales profession
		The state of enduring difficulties
	purposefulness	The salesperson's eagerness to succeed
		Having financial goals
		Having career and organizational goals
		Having professional growth aspirations
		The importance of achieving goals

Table 3 Social variables

Major variable	Minor variable	concepts
Social variables	Organization attractiveness	The level of interest to enter the organization
		Financial status of the organization
		Appropriate working conditions for the current employees of the organization
		The social position of the organization
	salary	Monthly income
		Annual rate of salary growth
		Sellers satisfaction regarding to income
	Industry attractiveness	Profitability of the industry
		Revenue stream in the industry
		Financial growth

Table 4 Environmental variables

Major variable	Minor variable	concepts
Environmental variables	Organization's rules and policies	the rules to support the sellers
		Managers and management support for sellers

		Ethical and friendly environment of the organization
		Encouraging the seller to support the organization
	The activity environment of the seller	the presence of manufacturer competition
		Pleasant working space
		Seller's interest in store environment
		Compliance with ergonomic principles in the store
	Colleague support	knowledge sharing between colleagues
		Covering one's weaknesses by colleagues
		Partnership and empathy between colleagues
		Helping colleagues to the seller in the works
	Customer performance	Previous history of customers
		Customer willingness to buy
		The amount of customer purchases
		Pleasant customer behavior
		Customer engagement rate
		Performance of previous customers

Discussion

The concepts mentioned in the interviews form categories, which are referred to in the following section.

Technical variables

This category of variables includes factors that the salesperson must acquire through practice and gaining more experience, and which can be important in terms of sales volume and profitability.

- Individual creativity, such as performing sales activities in a smart way, having new ideas, presenting products in a creative way, and so on, has a significant impact on increasing the salesperson's creativity.
- Experience is a factor that requires time and is acquired through activity. Being in demanding and challenging jobs in addition to the daily time spent on sales issues has a significant impact on acquiring sales-related experience. Salespeople with more experience in sales have better forecasting and sales skills.

Level of knowledge and awareness to increase this level, it is important to consider the amount of time the individual spends attending sales training courses, as well as their educational level. Familiarity and understanding of the product they offer are among the technical variables that the salesperson should be well aware of. Most salespeople should have sales and sales skills, such as the ability to technically justify the customer, attractively arrange merchandise, negotiate, and analyze and identify different types of customers. These factors may seem simple and unimportant at first glance, but having such skills is highly effective in increasing sales and how to deal with customers.

Personality variables

Unlike technical variables, this category of variables refers to the salesperson and their personality. In other words, these variables are somewhat related to the salesperson's thinking and personality.

- Understanding and worldview is a factor that is different for everyone. Factors such as believing in halal earnings, adhering to ethical principles, considering sales a sacred profession, having a service-oriented attitude to customers, and thinking differently are among the factors that are assessed based on the individual's beliefs and personality and are not equal in all people. According to experts, those who pay attention to these factors and have built their lives by adhering to such factors act with more fairness in their decision-making and sales activities and attract more customers.
- Interest Having an interest in sales allows the individual to choose this job and succeed in it. However, to measure the individual's interest, it is possible to consider their importance of on-time presence in the store, daydreaming about sales, not doing any other job besides this job, and so on. In other words, having an interest in the profession is one of the factors that has a significant impact on the salesperson's behavior.
- Motivation of the salesperson, like interest, has a positive and significant impact in this profession. The amount of past failures, the degree of tirelessness, and other factors are significant in the salesperson having enough motivation.
- Purposefulness is another aspect related to personality variables that is a subcategory of this variable. A salesperson with financial and job goals and who values achieving these goals will achieve success sooner than those who have not set specific goals for themselves and do not value them.

Social variables

The "attractiveness of the organization," "income level," and "industry attractiveness" are social variables that influence the behavior of the salesperson. This category of factors is related to the organization and industry in which the individual works.

- The good condition of the organization, the good working conditions of the employees, and the social status of the organization affect the attractiveness of the organization from the individual's perspective and the organization's choice.
- The amount of industry turnover, the volume of industry turnover, and the profitability of the industry make the industry attractive that affects the behavior of the salesperson.
- Monthly income, salesperson's satisfaction with income, growth, and increase in salesperson's income are among the social variables that affect the behavior of the salesperson.

Environmental variables

This category of variables, in some way, directly and indirectly affects the salesperson's behavior.

- The status of the organization's rules is one of the environmental variables that affects the salesperson's behavior with regard to the organization's support for the salesperson, the support of store managers for salespeople, the ethical and friendly environment of the organization, etc.
- The presence of a constructive competition, a pleasant work environment, the salesperson's interest in this environment, and the observance of ergonomic principles are among the factors related to the "salesperson's activity environment" that paying attention to these factors has a significant impact on the salesperson's success. The reason we consider "colleague support" to be part of the environmental variables is that in the environment where the salesperson operates, there are other people who may be his colleagues and directly and indirectly affect his behavior. Colleagues

influence the salesperson's behavior by sharing their knowledge, covering each other's weaknesses, collaborating, and helping. upon findings, final seller behavior model is suggested in *Figure 1*.

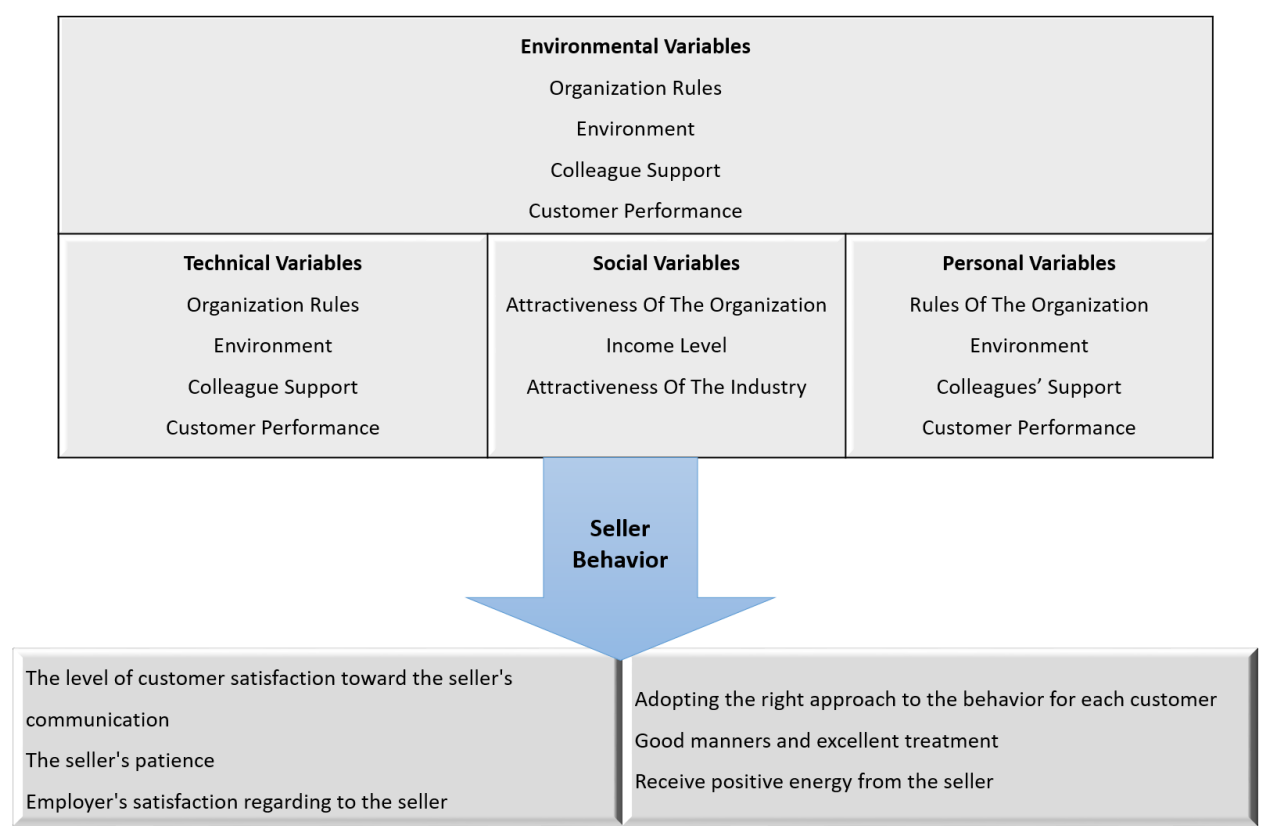


Figure 1 Suggested Salesperson Behavior Model

Suggestions

this survey is limited to finding factors effective on salesperson behavior. Correlation between variables and determining the degree of importance of each variable is suggested for future researches. Furthermore, in order to collect the necessary information and data, it is suggested that researchers, in addition to focusing on the open-ended interview method, use other interview methods such as structured, semi-structured and in-depth.

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