PERSONAL INTERACTION FACTORS IN SALES PROCESS

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Abstract

The main aim of this research is to determine the personal factors in sales that are most relevant to achieving sales success. The research will a) allow researchers to obtain a better understanding of the personal sales process, and b) allow salespersons to develop more efficient personal sales approaches. The study utilized an observational design approach. Personal selling scenarios were filmed and shown to respondents who completed a sales effectiveness survey. Video content was also coded for statistical analysis. The resulting data was analysed via a multiple-regression model. The study focused on automotive retail sales scenarios in the United States. However, results may be generalizeable to similar markets. Practical guidelines and a scholarly research foundation are provided, research gaps are identified, and proposals for future research are suggested. A conceptual personal sales model was advanced. The model suggests that salesperson authenticity effects sales success. Authenticity is shown to be a function of a given salesperson's affective, behavioral, and cognitive profile.

Key words: Personal sales, Personality of Sales Representative, Affection, Behavior, Cognition

JEL Code: M31, C44

Introduction

Maximizing salesperson effectiveness is a growing concern in today's economy. As the importance of sales rises, so does the difficulty associated with hiring and retaining salespeople (Harvard Business School Report, 2014).

More over the fact that interpersonal factors have been historically underrepresented in traditional sales process training, Erevelles and Fukawa (2013) suggested that "more research that examines the effect of salesperson personality on affect in sales contexts is needed". Though the reasons behind the failure or success of a given sales effort or person are not

always straightforward (see Morgan et al., 2002), one variable that affects sales contexts and influences selling effectiveness is the personal interactions that take place between a salesperson and customer (Sheth et al., 2002).

The current study follows both recommendations through observationally testing a sales model built upon Solomon's ABC hierarchy. The current paper concludes by discussing results, limitations, and possibilities for future research.

1 ABC model

Salesperson authenticity is believed to be a key success factor (Rego et al., 2011). Salespeople show emotions, communicate via body language. Customers observe these displays as authentic, positive purchase decisions are permitted. This process named as ABC model (affection, behavior, cognition) of consumer behavior theory (Solomon, 2003). The proposed ABS model is also backed by the findings of Ahearne et al. (1990) who demonstrated that "objective measures of communication skills may be a poor predictor of a particular applicant's potential for success if the relationship between attractiveness and customers' perceptions of the salesperson's ability is ignored. ABC model can be described as following (Fig.1)
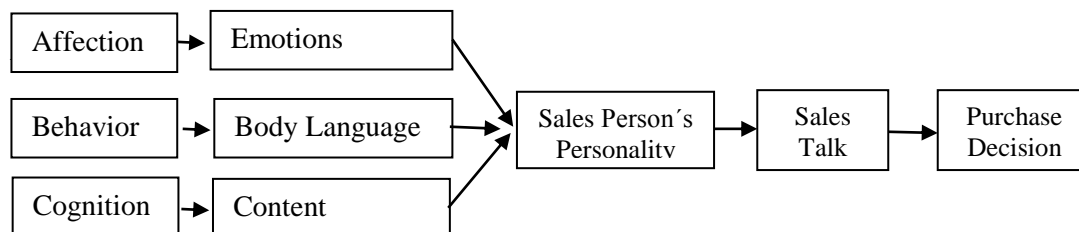
Fig.1 ABC model

Source: Autor

To measure affection, the current study used the following emotional expression scale: pleasure, arousal and dominance (Havlena and Holbrook, 1986). To measure behavior the following scale was used: immediacy cues, relaxation, movements, and facial expressions (Mehrabian, 1969). And to measure content is not specifically covered in the literature. Than, a new scale was developed for the current study. The scale is following: content of speech, organization of speech, content and style, and tone of speech.

2 Methodological Approach

The current study utilized a car buying scenario. Automobiles are familiar to the studied population, and automobile buying situations offer both B-to-C and B-to-B applications. The sales condition was relatively involved since the comparatively high purchase price needed to be explained in terms of overall, lifetime value. The customer needed to be specifically informed about unique product features, advantages, and benefits. For the video production, professional actors were employed. The study utilized professional actors rather than actual salespeople since there was concern regarding the ability of professional salespeople to "act" in an authentic manner. Two professional actors, one female and one male, were employed. Both actors played two different roles. To validate the research procedure, measurement scales, and to pretest the questionnaires, a small group of experts was utilized.

3   Regression Analysis

Data obtained from the survey and video coding were merged and standardized for further analysis in SPSS. The quality of the data was tested and outliers, missing values, skewness and kurtosis were all checked. No abnormalities were observed. The data was normally distributed.

Multiple regression analysis was determined to be the best strategy for testing the proposed hypotheses. The general purpose of multiple regression (the term was first used by Pearson, 1908) is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable.

The use of multiple regression involves multiple data requirements. First, observations must be statistically independent, normality and linear relationships between the dependent and independent variables must be present, and there must be homoscedasticity (Hair et al., 2009; Kleinbaum et al., 1998). The data utilized in the current study met these requirements.

Second, multicollinearity between the variables should be reviewed in multiple regression situations. When there are very many variables involved, it is often not immediately apparent that this problem exists, and it may only manifest itself after several variables have already been entered into the regression equation. Nevertheless, when this problem occurs it means that at least one of the predictor variables is (practically) completely redundant with other predictors.

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Independent variables are chosen by model selection methods such as forwards, backwards, stepwise and simultaneous entry (Hair et al., 2009; Kleinbaum et al., 1998). R-Square, also known as the Coefficient of determination is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. When the variability of the residual values around the regression line relative to the overall variability is small, the predictions from the regression equation are good. The F-test compares a model with no predictors to the model that you specify. In general, an F-test in regression compares the fits of different linear models. Unlike t-tests that can assess only one regression coefficient at a time, the F-test can assess multiple coefficients simultaneously. The hypotheses for the F-test of the overall significance are as follows: Null hypothesis: The fit of the intercept-only model and your model are equal. Alternative hypothesis: The fit of the intercept-only model is significantly reduced compared to your model.

The regression analysis (Tab. 1) produced a significant result (sig = 0.000), and the F-value (7.822) was above the calculated critical F-value (1.853). The adjusted R^2 was 0.134, indicating that 13.4% of the variance can be explained by the elements of the equation and that the independent variables are related by 13.4% to the dependent variable. The relatively low R^2 can be justified by the complex nature of the sales process (Cohen and Cohen, 1975).

To detect potential autocorrelation[1] a Durbin-Watson test was used. The value of 2.090 exceeded the rule-of-thumb value of 1.0 or above (Gujarati, 2003). Therefore, it was assumed that no autocorrelation was present and that valid statistical tests could be performed.

Table 1: Results of the Multiple Regression Analysis

Multiple R = .392 R^2 = .153 Adjusted R^2 = .134 F = 7.882 (Sig. = 0.000; $F_{critical}$ = 1.853)				
Independent Variable	**Beta**	**t**	**Sig.**	**Hypo.**
Pleasure (V1.1)	.066	1.094	.275	H_1
Arousal (V1.2)	.067	1.409	.160	H_1
Dominance (V1.3)	-.029	-.629	.530	H_1
Immediacy Cues (V2.1)	**.305**	**4.413**	**.000**	**H_2**
	(.101)	(1.596)	(.111)	
Relaxation (V2.2)	**.328**	**5.632**	**.000**	**H_2**

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[1] the degree of similarity between a given time series and a lagged version of itself over successive time intervals. It is the same as calculating the correlation between two different time series, except that the same time series is used twice: once in its original form and once lagged one or more time periods.

Movements (V2.3)	**(.223)**	**(4.585)**	**(.000)**	**H₂**
Facial Expressions (V2.4)	**-.255**	**-4.585**	**.000**	**H₂**
Content of Speech (V3.1)	-.014	-.229	.819	H₃
Organization of Speech (V3.2)	.099	1.371	.171	H₃
Content and Style (V3.3)	**.226**	**3.484**	**.001**	**H₃**
Tone of Speech (V3.4)	.056	1.109	.268	H₃

Source: Autor

The multiple regression analysis revealed that "Immediacy Cues (V2.1)" (beta = 0.305; sig. = 0.000), "Relaxation (V2.2)" (beta = 0.328; sig. = 0.000), "Movements (V2.3)" (beta = .223; sig. = 0.000), "Facial Expressions (V2.4)" (beta = -0.255; sig. = 0.000) as well as "Content and Style (V3.3)" (beta = 0.226; sig. = 0.001) have a positive effect on the "Authentic Perception (V4)" of a salesperson. On the other hand, the analysis yielded insignificant results for "Pleasure (V1.1)", "Arousal (V1.2)", "Dominance (V1.3)", "Content of Speech (V3.1)", "Organization of Speech (V3.2)" and Tone of Speech (V3.4)" variables.
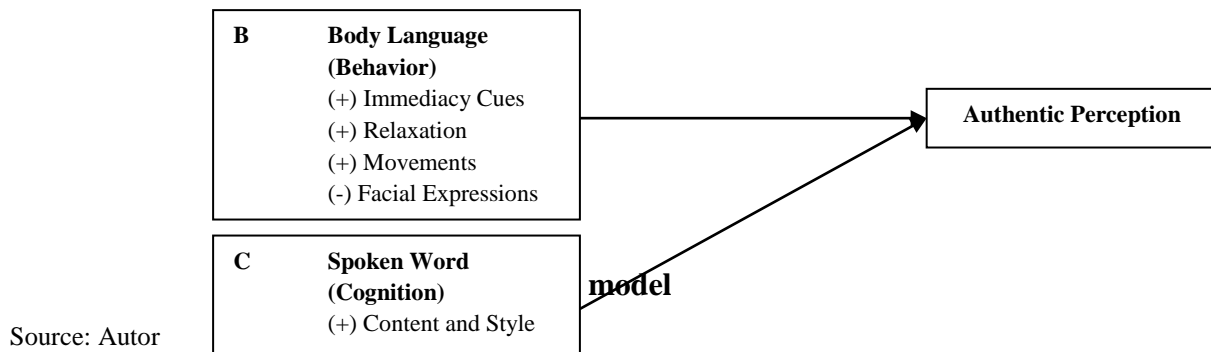
4   Conclusion

As shown by current research, the authenticity of a salesperson is a key criterion for sales success. The study investigated three components of authenticity (affection, behavior, and cognition). Results indicated that "Emotional Expressions (affection)" do not exert a substantive influence within the suggested model. Emotional expressions were measured via the "Arousal," "Pleasure," and "Dominance" scale.

All three variables bore no significant relationship to authenticity. Consequently, "Emotional Expressions (affection)" do not appear to be of relevance during personal sales interactions.

Second, results indicated that "Body Language (behavior)" appears to be positively related to authenticity. All body language items were significantly related to perceptions of authenticity

Third, dialogue content ("cognition") did not significantly affect authenticity. To test the "Spoken Word" variable, the authors developed and tested a new scale. Results indicated that only the "Content and Style (V3.3)" item was of importance. Thus, sales dialogue needs to be clear and well-articulated.

Taking these finding into account, the following model is derived (Fig. 2):

B	**Body Language (Behavior)**
	(+) Immediacy Cues
	(+) Relaxation
	(+) Movements
	(-) Facial Expressions

| C | **Spoken Word (Cognition)** |
| | (+) Content and Style |

Authentic Perception

model

Source: Autor

5 References

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