A COMPARATIVE STUDY OF THE FACTORS AFFECTING SALES FORCE PERFORMANCE IN URBAN AND RURAL AREAS

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ABSTRACT

Evaluation of “Performance of Sales force” is one of the key activities of sales management in the process of leading the employees, but they may not be driven by a common marketing mindset. In other words, the approach toward rural markets needs to be distinct from the one adopted for the urban markets. Even the kinds of sales persons that operate in these two areas are very different in terms of professional requirements. The performance of sales force may vary with sales territory. Hence the differences between performance drivers of rural & urban areas need to be understood separately. Different variables of behavior based variables of sales-force performance were identified & analyzed against sales territory as grouping variable with the help of Kruskal Wallis test. It was observed that most of the factors related to Job satisfaction, work-personal life balance & training & skills development are adversely affected by rural sales territory whereas factors related to customer relations, interaction & confidence are positively affected by rural sales territory vice-versa is the case with urban sales territory.

Keywords: Sales Force Performance; Urban Vs Rural; Kruskal Wallis Test

INTRODUCTION

Indian economy is the second fastest growing economy in the world in terms of GDP growth rate. This growth is owed towards huge population base; as Indian population comprises of nearly one sixth of global population. Young India which is well educated, aware & is having good income base & paying capacity; stands among world’s biggest consumer market. But it is a fact that this growth is mainly concentrated in urban areas, thus we can say that urban areas have been the driver of business growth for past more than two decades. But still this urban market stands for around 30 percent of total population. This means that despite of huge growth in Indian urban markets there still exists potential to multiply this growth in rural markets. In saturated global markets, rural India stands as a hope of business prosperity. Being an untapped market, with growing awareness, connectivity & economic prosperity rural India is among fastest growing markets in the global economy which multinational companies are eyeing for future growth opportunities.
Defining Urban Rural Areas

The “Urban Area” here is referred to as the cities having population above one lakh (Defined as Urban & Metro areas by RBI), where customers are more aware & Sales persons need to follow professional approach. The “Rural Area” here is referred to as the towns/ villages having population below one lakh (Defined as Rural & Semi urban areas by RBI). People residing in rural & semi urban villages, are less aware & literate & sales person cannot follow a very professional approach rather he need to follow an emotional approach.

Challenges in Sales Force Management

Usually rural sales territory is considered as unglamorous. Lack of infrastructure & inadequate facilities in rural areas make rural markets unattractive for rural sales professionals. Sales force is reluctant to work in rural areas. The local languages and dialects also stand as a challenge in front of sales professionals in order to communicate with the rural consumers. Adjusting in rural areas & adapting oneself as per local culture is a tough job for many sales professionals who have graduated from prestigious urban institutions and are used to a professional corporate culture. From sales management perspective administrating such a large and scattered sales force, supervising them, motivating them, giving them orientation about the rural marketing environment and training in non-conventional means of market promotion, supporting them in sales, personal problems is really a tiresome job for the sales manager”.

Sales Force Performance

The key driver of the success of any organization is performance of its sales force. Every organization wants to identify & evaluate the factors affecting sales force performance so as to boost up performance of the sales team. Widely there have been two types of performance evaluation measures A) Behavior based approach B) Result based approach, today every organization wants efficient & effective sales force. The word “efficient” refers to capabilities of sales force & effective refers to the final outcome. The behavior based assessment criteria enables the organization to identify the drivers of performance & enhance the efficiency of the team so as to perform effectively amongst competition. We can say that in terms of sales process behavior is antecedent of outcome i.e. sales. Hence the present study focuses on use of behavior based approach as a measure to assess the sales force performance.

Factors Affecting Sales Force Performance


REVIEW OF LITERATURE

Churchill et al.(1985) “The Determinants of Salesperson Performance: A Meta-Analysis” - This study is based on meta-analysis of determinants of sales person performance for the period 1918 to 1982 . The identified determinants were ordered in terms of the average size of their association with performance as (1) role variables, (2) skill, (3) motivation, (4) personal factors, (5) aptitude, and (6) organizational/environmental factors. Three moderator variables that were considered are: i) Customer type, product type & type of dependent variable. The study reveals that the traits like skills levels, role perceptions & motivation which are influence able through increased training and experience or effective company policies & procedures have greater relationship with performance compared to personal/physical traits.
Krishnan B., Netemeyer R. and Boles J.(2002) “Self–Efficacy, Competitiveness, and Effort as Antecedents of Salesperson Performance”. Referring to several earlier researches the researcher says that sales person performance have been found to be antecedent of a number of salespersons individual factors like job satisfaction, organizational commitment & turnover, demographic and personal factors (age, cognitive, verbal, and quantitative ability), organizational and environmental factors, role perception variables and various personality traits. The researcher says that the personality dimensions (conscientiousness, achievement, and potency) related to salesperson performance reflect motivational, aptitude or skill levels possessed by salespeople. Also the characteristics specific to the sale (job- sales ability and sales interest) are related to salesperson performance.

Verbeke W., Dietz B. & Verwaal E.(2010) “ Drivers of sales performance: a contemporary meta-analysis. Have salespeople become knowledge brokers?” - A two-stage structural equation model (TSSEM) is used to identify the independent effects of determinants on sales performance. The determinants were further sub classified as 1. Role Perceptions (Role Conflict, Role Ambiguity, Role Overload, Burnout) 2. Aptitude (Dispositional Traits, Personal Concerns, Identity, Cognitive Aptitude) 3. Skill Levels (A. Micro-Interpersonal, Degree of Adaptiveness B. Macro- Selling Related Knowledge) 4. Motivation (Cognitive Choice, Goal Orientation, Work Engagement i.e. Motivated Behaviors) 5. Personal (Biographical) 6. Organization & Environment (External Environment, Internal Environment, Supervisory Leadership)

Kapur M. et al (2013) “Masters of Rural Markets: Profitably Selling to India’s Rural Consumers”. The study emphasizes the need of skilled sales people for rural areas i.e. the professionals who understand rural customers’ needs, aspirations and motivations. The problems faced are- A) Difference in sales skills in rural & urban areas. B) Interpersonal skills and the ability to build personal bonds and mutual trust are different in two areas. C) Reluctance of urban sales people to move into rural areas, force companies to hire the local talent which often may lack the sales orientation and attitude to succeed. D) High attrition rate in rural markets drive up recruitment and training costs & have negative impact on overall sales force productivity. The study suggests few ways to create a winning talent management strategy to drive high performance in rural markets.1) To leverage local talent and invest in their skill development. 2) Recognize contribution of sales force and provide training and career development paths. 3) Engage the sales force with information and constant leadership presence.

OBJECTIVES OF STUDY

1. To identify different factors affecting sales force performance.
2. To study the impact of sales territory on sales force performance drivers.

RESEARCH METHODOLOGY

For the purpose of measuring the objectives following methodology has been adopted. The present study is a descriptive research study. The study required both primary & secondary data. Survey method has been used for collection of primary data & review method for collection of secondary data. Primary Data is collected with help of a structured questionnaire prepared as per objectives of study. The population for present study consists of respondents who are in sales profession. The sales territory of respondents has been classified as Urban & Rural areas. The sample size taken for study included 300 respondents. The respondents to the study were selected from sales persons working across different outlets & offices from urban & rural areas. The non-probability, convenience sampling procedure was adopted for data collection. Out of these 300 responses 19 responses were found to be unfit for further analysis hence 281 respondents were included in survey. Both online & offline mode of data collection was used. The respondents to the online mode belonged to population of sales professionals spread along geography of India, The respondents to offline mode belonged to Urban & Rural areas located in and around the geography of Indore, Dhar & Dewas districts.
DATA ANALYSIS TECHNIQUES

The factors affecting sales force performance were identified by analysis of secondary data based on earlier researches on the topic. In order to study the variations in sales force performance in rural & urban areas Kruskal Wallis test was conducted on twenty individual sales performance variables against Sales Territory as grouping variable. The twenty hypotheses thus formulated were interpreted based on values of Chi square & obtained values of asymptotic significance.

Kruskal-Wallis Test

<table>
<thead>
<tr>
<th>Performance Variables vs sales territory</th>
<th>Chi-Square</th>
<th>Df</th>
<th>Asymp. Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL JOB SATISFACTION</td>
<td>74.629</td>
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<td>.000</td>
</tr>
<tr>
<td>ORGANIZATIONAL SELF ESTEEM</td>
<td>1.362</td>
<td>1</td>
<td>.243</td>
</tr>
<tr>
<td>WORKING HOURS</td>
<td>.337</td>
<td>1</td>
<td>.552</td>
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<tr>
<td>COMPENSATION SATISFACTION</td>
<td>.511</td>
<td>1</td>
<td>.475</td>
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<tr>
<td>PROMOTION</td>
<td>3.857</td>
<td>1</td>
<td>.050</td>
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<tr>
<td>CONTRIBUTION RECOGNITION</td>
<td>52.555</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>TALENT UTILIZATION OPPORTUNITIES</td>
<td>20.025</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>SALES INCENTIVES</td>
<td>.004</td>
<td>1</td>
<td>.949</td>
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<tr>
<td>CARRER ADVANCEMENT OPPORTUNITIES</td>
<td>31.535</td>
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<tr>
<td>WORK PERSONAL LIFE BALANCE</td>
<td>9.984</td>
<td>1</td>
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<td>ATTITUDE TOWARDS TARGET</td>
<td>.242</td>
<td>1</td>
<td>.623</td>
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<tr>
<td>SELF SATISFACTION</td>
<td>.273</td>
<td>1</td>
<td>.602</td>
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<td>PERFORAMNCE APPRAISAL METHOD</td>
<td>1.402</td>
<td>1</td>
<td>.236</td>
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<tr>
<td>VALUE CONGURANCE</td>
<td>1.326</td>
<td>1</td>
<td>.249</td>
</tr>
<tr>
<td>CUSTOMER INTERACTION &amp; CONFIDENCE</td>
<td>5.841</td>
<td>1</td>
<td>.016</td>
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<td>CUSTOMER APPOINTMENT</td>
<td>5.118</td>
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<tr>
<td>DURATION OF MEETING</td>
<td>4.203</td>
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<td>.040</td>
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<tr>
<td>CUSTOMER TRUST &amp; CONFIDENCE</td>
<td>3.862</td>
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<td>.049</td>
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<td>SALES TERRITORY COMPATIBILITY</td>
<td>15.841</td>
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<td>.000</td>
</tr>
<tr>
<td>TRAINING &amp; SKILLS DEVELOPMENT</td>
<td>4.722</td>
<td>1</td>
<td>.030</td>
</tr>
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</table>

Findings reveal that Overall Job Satisfaction (.000), Promotion (.050), Contribution Recognition (.000), Talent Utilization Opportunities (.000), Carrer Advancement Opportunities (.000), Work Personal Life Balance (.002), Customer Interaction & Confidence (.016), Customer Appointment (.024), Duration Of Meeting (.040), Customer Trust & Confidence (.049), Sales Territory Compatibility (.000), Training & Skills Development (.030) are significantly associated with sales territory.

CONCLUSION

The sales force challenges in rural & urban areas are very different to each other in nature. On one side Job satisfaction & organizational climate, sales territory compatibility, work-personal life balance, non-lucrative rural markets, lack of infrastructure & facilities etc. stand as challenges for rural sales force; on other side huge competition, knowledge & awareness of consumer, time scarcity etc stand as challenge for urban sales force. The association between sales territory & sales force variables were tested with Kruskal Wallis test. Impact of Sales territory (Rural vs Urban) on variables of sales force performance is as follows –

Rural sales territory is associated negatively with

1. Overall job satisfaction
2. Promotion opportunities
3. contribution recognition
4. talent utilization opportunities
5. career advancement opportunities
6. work personal life balance
7. sales territory compatibility
8. sales training & skills development

Vice-versa urban sales territory is associated positively with these factors

Rural sales territory is associated positively with
1. Customer appointment
2. Meeting Duration
3. Customer Trust & Confidence
4. Customer Interaction & Self Confidence

Vice-versa urban sales territory is associated negatively with these factors

Fig 1. Impact of Sales Territory on performance variables

Based on above findings & discussions it may be suggested that:

To make rural jobs more attractive organization can use several ways like: creating awareness about rural potential through training programs, more incentives to rural service area as compared to urban area, rural postings linked to early promotion opportunities, regular visit & participation of rural sales team in activities at urban local office, regular training sessions & workshops for rural sales team to
develop their abilities, higher number of casual leave for rural sales professionals so that they can maintain a balance between their professional life & personal life. Also five day working culture can be followed strictly for rural sales team against six day work culture for urban sales team. This is because one extra day will enable rural sales professionals to deal with routine needs of their family & to spend more time with them. The business loss against that can be moderated by higher level of employee output & efficiency. Regular workshops & sessions are also supposed to be conducted for urban sales force so as to make them understand and learn effective selling techniques, sales process & to update their product & competitor knowledge. The etiquettes workshops should also be conducted so as to enable them create a good & pleasing impression on customers.

From the perspective of sales managers they should not treat urban & rural sales team with common mindset, it will be better if depending on challenges of sales territory they treat urban & rural sales forces from different perspective & manner. Higher level of managerial involvement in rural areas & creating a frequent touch base with rural sales force is recommended. Sales Manager should be concerned & considerate about personal problems of rural sales force.

REFERENCES


