



Exploring the Factors Affecting Sales Performance in Vietnam

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ABSTRACT

Scholarly and professional literature have noted a discrepancy between salespeople's actions and the sales technique that sales organizations promote. The willingness and capacity of salespeople to apply sales strategy can be influenced by both organizational and individual factors, which are the subject of this study. The performance effects of salespeople implementing sales strategies are another goal of this work. A sample of 250 (212 valid response) business-to-business salespeople from various industries provided the data. The results are consistent with previous research, showing that sales performance is positively impacted by salesperson experience, creativity, adaptive selling techniques, and outcome control in Vietnamese Companies. In addition, the study offers empirical data unique to the Vietnamese setting, which sets it apart from research done elsewhere. It strengthens theoretical comprehension of the elements influencing sales performance in the travel and tourism sector in Vietnam.

Keywords: Sales Performance, Salesperson experience, Salesperson creativity, Adaptive selling techniques, Outcome control, Vietnam

Introduction

Amidst the burgeoning global market, Vietnam has embarked on and continues to vigorously pursue its Industrialization and Modernization (IM&M) agenda. This, coupled with the influx of numerous enterprises, has intensified competition within the Vietnamese economy, rendering sales activities increasingly crucial for businesses to thrive. A multitude of strategies and initiatives can enhance a company's operational efficiency, and sales activities stand out as a pivotal component in this regard. Sales have long been conducted in diverse forms throughout history and have evolved in tandem with the growth of both domestic and global economies. Globalization, coupled with rising living standards, has exposed consumers to a wider array of products and services, empowering them with more choices to align with their specific needs. Notably, in an era of intensifying competitive landscapes, effective sales operations serve as a paramount competitive advantage, enabling businesses to endure, establish a firm footing, and flourish in the marketplace.

Achieving the strategic objectives of several organizations has made the role of sales activities and the sales staff even more crucial. Companies invest about \$800 billion annually on their sales force, and if the sales staff's actions are not in line with the corporate plan, the company may incur large direct and indirect expenses (Cespedes, 2014). The role of sales force has changed from being primarily a tactical activity to one with a more strategic focus as a result of the realization that the activities of the sales force, particularly in a business-to-business context, are critical to the successful implementation of organizational and business level strategies (Cespedes, 2014; Cron, Baldauf, Leigh, & Grossenbacher, 2014).

Despite the growing importance of sales, several challenges impede optimal performance in Vietnamese companies. A lack of investment in sales training often leads to deficiencies in essential skills like product knowledge, negotiation techniques, and customer relationship management (CRM). Furthermore, cultural factors can also play a role. Traditional Vietnamese business culture may emphasize personal connections and hierarchical structures, which can hinder the development of a more consultative and data-driven sales approach. Finally, the rapid pace of economic development can create a talent gap, making it difficult for companies to recruit and retain skilled salespeople. This study investigates the elements that affect sales performance in the Vietnamese market, acknowledging the significance of effective sales for competitiveness.

Literature review

In testing their conceptual framework, Groza, Locander, and Howlett (Groza MD, 2016) proposed that creative selling is important to sales literature and that it enhances sales performance as well as the service behavior of salespeople. One significant source of organizational competitive advantage is creativity. The effective implementation of innovative ideas gives the company a competitive edge in the market through process involvement and product uniqueness, which in turn boosts customer happiness and loyalty and enhances salesman performance (Fallah H, 2018). In the workplace, creativity is demonstrated by salespeople who devise novel approaches to accomplish sales duties and provide sales results or services that better satisfy customers' demands and maybe boost their confidence (Lassk FG, 2013).

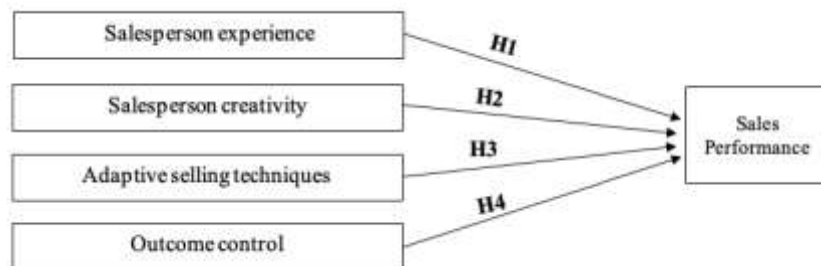
Additionally, experience in the workplace is probably going to improve a salesperson's effectiveness. According to the learning hypothesis, job performance is enhanced by work experience through the acquisition of information and skills (FQ, 2009). Wang (G, 2000) made the observation that managers frequently had to decide between a less seasoned salesman who puts in a lot of work and a more seasoned salesperson who is more expensive to recruit, more difficult to manage, and maybe less assiduous. Extensive personal experience yields the most robust evidence for attribution analysis, facilitating improved self- and environmental-management as well as a more precise knowledge of the factors that influence performance.

Meanwhile, adaptive selling involves choosing the appropriate sales presentation style depending on the individual's prior knowledge and the particular sales scenario. It is sometimes perceived as innovative behavior. Overall sales performance is boosted by the innovative notion, which increases everyday task activities' efficacy and efficiency (Moliner C, 2014). To better or entirely alter the current routine, however, a broader search for fresh technologies, concepts, and techniques may frequently call for flexibility. Based on these premises, salespeople may refresh their expertise and become more adept at adapting to changing market conditions, which has a good influence on the natural world (Krush MT, 2017).

Outcome control systems have been shown in prior studies to positively impact salesperson motivation (Mallin & Pullins, 2009; Miao & Evans, 2012). The motivation of salespeople can influence their willingness and desire to achieve objectives. Salespeople are more likely to spend the time to learn what is needed to attain corporate goals when they are driven to do so. It has been discovered that outcome control is a driving force behind making sure salespeople acquire the skills necessary for success (Kohli, Shervani, & Challagalla, 1998; Miao & Evans, 2012). While it is true that having sales experience is necessary for successful sales, the majority of earlier research in the body of current literature did not take this into account.

Based on the literature review, the conceptual framework was developed as followed.

Figure 1: The research framework



Hypothesis 1 (H1): Salesperson experience significantly positively impacts on Sales Performance

Hypothesis 2 (H2): Salesperson creativity significantly positively impacts on Sales Performance

Hypothesis 3 (H3): Adaptive selling techniques significantly positively impacts on Sales Performance

Hypothesis 4 (H4): Outcome control significantly positively impacts on Sales Performance

Methodology

This study investigates the impact of Salesperson experience, creativity, adaptive selling techniques and outcome control on Sales Performance of Vietnamese companies. Employees from these companies were recruited through public or private social network groups on Facebook. Their contact information (emails or online profiles) was used to send online surveys after an introduction to the research. A two-phase data collection process was employed. In phase 1, a pilot test with 10 participants ensured the questionnaire's clarity. Based on the pilot test feedback, the questionnaire was refined before the second phase. During phase 2, the final online survey with an introduction was sent to participants via email or online profiles. Statistical analysis included descriptive statistics and quantitative techniques for data analysis (e.g., Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA), and Structural Equation Modeling (SEM). This study specifically used CFA to validate construct measurements and SEM to test the research hypotheses.

Demographic information of respondents

About 250 questionnaires were sent out and 212 valid responses were collected for the further analysis. The Salesperson experience is measured by the 6-item scale adapted from Bilal Ahmad (2020). Salesperson Creativity is measured by the 3-item scale developed from Miao & Wang (2016). Adaptive selling techniques is measured by 7-item developed by Agnihotri & Krush (2015) and Emani (2015). Outcome control is measured by the 5-item scale developed by Miao & Evans (2014). Sales Performance is measured by the 5-item scale developed by Itani, Agnihotri, & Dingus (2017), Singh & Das (2012).

Table 1: Demographic information of respondents

	Frequency	Ratio (%)
Gender		
Female	102	48.11%
Male	110	51.89%
Other	0	0.00%
Age		
18 to 25	117	55,18%
26 to 35	38	17.92%
Over 36 to 45	45	21,22%
Over 46	12	5.66%
Working time		
Under 1 year	100	41.17%
1 to 3 years	66	31.13%
Over 3 to 5 years	25	11.79%
More than 5 years	9	42.45%

A survey of 250 respondents was conducted to analyze the factors influencing sales performance in Vietnamese companies. After data cleaning to remove incomplete or inconsistent responses, 212 valid responses were retained, representing a response rate of 96.36%. The excluded responses were primarily due to missing information or conflicting responses.

Confirmatory Factor Analysis (CFA)

Similar to the purification of observed variables discussed in Chapter 3, confirmatory factor analysis (CFA) is employed to assess the model's fit to the collected data. The fit of the research model is evaluated using various indices, including chi-square (CMIN), normed chi-square (CMIN/df), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and Root Mean Square Error Approximation (RMSEA).

Drawing on Nguyen Khanh Duy (2009), the model is considered to have an acceptable fit if:

The chi-square test has a p-value greater than 0.05.

The chi-square probability value is greater than 0.08, and both the GFI and CFI indices are close to 1. The RMSEA index should be below 0.08 (Browne & Cudek, 1992). The CMIN/df < 3, the model demonstrates good fit (Kettinger & Lee, 1995).

A table summarizing these criteria is presented below.

Table 3: Confirmatory Factor Analysis results

CMIN/df	RMSEA	GFI	TLI	CFI
1.355	0.041	0.984	0.981	0.903

Based on the analysis results, all the indices meet the requirements of the structural model. Therefore, we can conclude that the measurement model is suitable for the market data

Research Model Test

Structural Equation Modeling (SEM) was employed to examine the relationships among the proposed research hypotheses. The results demonstrated a good fit with the empirical data, as indicated by the fit indices presented in the table 4.

Table 4: The model fit test of structural model

CMIN/df	RMSEA	GFI	TLI	CFI
1.304	0.0502	0.750	0.877	0.879

These results are synthesized into a comprehensive SEM analysis results table (Table 5).

Table 5: Research model without moderator tested by SEM

		Estimate	S.E.	C.R.	P-value	Std Regression Weights
SalesPerformance	← SalesPerExperience	.221	.046	4.846	***	.261
SalesPerformance	← SalesCreativity	.267	.052	5.162	***	.280
SalesPerformance	← AdaptivesellTech	.312	.051	6.120	***	.330
SalesPerformance	← OutcomeContr	.295	.051	5.778	***	.310

Based on the results in Table 5, the following conclusions can be drawn: The parameter estimation results indicate that all relationships are statistically significant ($p < 5\%$); The unstandardized and standardized weights for these factor groups are all positive, suggesting that these factor groups have a proportional positive relationship with each other. Table 7 summarizes the results of hypothesis testing.

Table 7: Summary of Hypothesis Testing Results.

Hypotheses	Results
Hypothesis 1 (H1): Salesperson experience significantly positively impacts on Sales Performance	Positive
Hypothesis 2 (H2): Salesperson creativity significantly positively impacts on Sales Performance	Positive
Hypothesis 3 (H3): Adaptive selling techniques significantly positively impacts on Sales Performance	Positive
Hypothesis 4 (H4): Outcome control significantly positively impacts on Sales Performance	Positive

The study examined four hypotheses regarding the impact of different factors on sales performance:

Hypothesis 1 (H1): Salesperson experience significantly positively impacts sales performance. This hypothesis was supported with a standardized regression weight of 0.261, indicating a positive association between experience and sales performance.

Hypothesis 2 (H2): Salesperson creativity significantly positively impacts sales performance. This hypothesis was also supported with the highest standardized regression weight of 0.280, suggesting a strong positive relationship between creativity and sales performance.

Hypothesis 3 (H3): Adaptive selling techniques significantly positively impact sales performance. This hypothesis received the strongest support with a standardized regression weight of 0.330, highlighting the importance of adaptability in achieving successful sales outcomes.

Hypothesis 4 (H4): Outcome control significantly positively impacts sales performance. This hypothesis was confirmed with a standardized regression weight of 0.310, indicating that a higher degree of control over work environment enhances sales performance.

Results and Managerial implication

The findings suggest that all four factors investigated play a significant role in influencing sales performance. However, the standardized regression weights reveal a hierarchy of importance. Salesperson creativity emerges as the strongest positive predictor of sales success, followed by adaptive selling techniques, outcome control, and then experience. A few selling factors that may have a direct or indirect influence on the success of the sales outcome were looked at in this study. According to the present research, salesperson creativity significantly positively correlates with salesperson performance, which is the chance for the salesperson to gain the confidence of the client and establish a lasting connection. Furthermore, a strong and positive correlation was found between salesperson experience and salesperson performance (Kavoosi S, 2014). This implies that a higher level of selling experience increases the likelihood of interacting with a wider range of customers and acquiring additional information. Moreover, one of the key indicators of successful personal selling is adaptable selling behavior. It is the seller's capacity to use their range of adaptable talents to meet the needs of both the consumer and themselves (Keillor BD, 2000). The aforementioned research indicates a favorable correlation between salesperson effectiveness and adaptive selling conduct. Lastly, the inventiveness of a salesman directly improves sales effectiveness. When salespeople additionally participate in customer-directed extra role activity, the benefit is amplified. In a sales environment, the quality of the relationship between the salesperson and the customer has a major impact on performance. It is possible to determine if the findings of this study are compatible with those of Miao & Wang (Miao CF, 2016) in terms of salesperson innovation and customer-directed extra role behavior by comparing the results with those of earlier studies. Also, this study have established a strong positive correlation between outcome control and sales performance. In the other words, salespeople with greater control over their work environment exhibited higher levels of goal commitment, persistence, and ultimately, higher sales figures. A higher level of salesperson creativity likely translates to more innovative sales approaches, allowing them to tailor their strategies to specific customer needs and stand out in a competitive environment. Mastering adaptive selling techniques empowers salespeople to effectively navigate diverse customer personalities and adjust their pitches for optimal results. Outcome control, by fostering a sense of ownership and accountability, motivates salespeople to exert greater effort towards achieving sales goals. Finally, experience, while still a positive factor, may contribute less than the other aspects when considering its impact on performance.

Based results, this research on salesperson characteristics and behaviors offers valuable insights for sales management practices. Firstly, sales managers should encourage and develop creativity through training programs, idea-sharing sessions, and rewarding innovative sales approaches. Secondly, sales managers should consider experience when hiring and building sales teams. Additionally, creating mentorship programs where experienced salespeople can share knowledge with newer team members can be beneficial. Thirdly, sales managers can equip their teams with training programs that focus on identifying customer needs, tailoring sales pitches, and navigating different customer personalities. Role-playing exercises can also be a valuable tool to practice adaptability. Fourthly, sales managers should recognize and reward such behaviors to create a customer-centric culture within the sales team. Fifthly, sales managers should create an environment that empowers salespeople by granting them autonomy over their sales processes, some control over territory and client allocation, and opportunities to participate in decision-making processes. This fosters a sense of ownership, accountability, and motivation.

Finally, the study encourages further research to explore the compatibility of these findings with existing literature, particularly regarding salesperson innovation and customer-directed extra role behaviors. Additionally, investigating the potential moderating effects of factors like industry, product type, and individual personality on the findings would provide valuable insights for developing tailored sales management strategies.

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