

# EFFECTIVENESS OF COMMUNICATION IN RELATION TO TRAINING OF SALES STAFF

**Gregor Jagodič**

International School for Social and Business Studies, Slovenia

gregor.jagodic@mfdps.si

**Abstract:**

Communication is today crucial to the successful operation of the supplier. Many circumstances affect the chances of achieving this success. A lot of contribution can give the sales staff. The training of sales personnel is the key to an individual supplier that can be successful on the market. The focus of this training is primarily in the various modes of transmission and acquisition of knowledge, which should lead to an improvement of their communicativeness. In this study we have shown that the most important is primarily the performance of communication and thus the investment in training your sales staff. We found that each contribution in improving communication is returned with a multiplier effect - that the return is much greater than we have invested. How individual suppliers are oriented to training of sales personnel and related content, is only one of their approaches depend on market performance. The most resourceful use unusual approaches, because they bring a competitive advantage.

*Keywords: training, communication, business performance.*

## **1. INTRODUCTION**

### **1.1. Description of the problem**

The process of communication has evolved and now we communicate in other ways than in the past. The suppliers had to adjust the service to the end customers, as they are because of modern communications media very familiar with the offer on the market. Each method of approach to customers has its own characteristics, and we wanted to know what kind of impact the training of sales staff has on the purchase intention of customers.

### **1.2. Purpose and basic arguments**

The purpose of this study was to determine the effect of communication by the sales staff in various activities which constitute the basic set of skills and knowledge, by which are also satisfied customers. We wanted to determine whether it makes sense to invest in the development and communication skills of sales staff in order to ensure faster and more efficiently adjustment to the expectations of customers and consequently an increase in purchase intent.

We tested the following hypothesis: Effectiveness in communication of the sales staff has significant positive impact on customers' purchase intention (H1).

### **1.3. Assumptions and limitations of the study**

The data for the investigation was obtained by implementation of mystery shopping in different activities. The sample for the survey consisted of 830 units. Implementation of all mystery shopping were made in 2008. Activities in the sample are unequally represented. The analysis is limited to the Slovenian market and companies doing business in Slovenia. The sample included only retail units, which operate only with final customers.

### **1.4. Methods of research**

For definitions in theoretical part, we used the method of comparisons and compilations, and a method of description and synthesis. In research, we considered the general principles, such as accuracy, objectivity and systematic. The hypothesis was tested using simple regression.

## **2. COMMUNICATIONS AND CUSTOMERS**

### **2.1. Creation of a successful communication**

The modern customer expects from supplier more than just a good product, attractive price and availability of product to target customers. The supplier must communicate with existing and potential customers (Kotler, 1998, p. 596).

Communication process takes place in different ways, depending on many factors. Communication is one of the most effective tools for the transmission of communicating messages to target customers (Starman, 1995, p. 4).

Communication process was observed and analyzed by experts of various fields. Models have been changed over the years in its orientation and use (Ule, 1996, pp. 54–58):

- *S-R model* - based on the idea that each message (S), which is sent to the recipient, to initiate a certain reaction (R).
- *S-O-R models* - S meaning stimulus, O as organism or recipient of the message and R is the reaction to the message, where the response of an individual depends not only on the stimulus, but also on other factors (genetics, development, emotional status, ...).
- *feedback models* - feedback can be obtained in different ways (with a link of input and loss or as a result of human behavior from an external source).

Personal selling is definitely a communication instrument which allows the preparation, transmission and control of performance information for individual members of target groups of customers and clients (Lorbek, 1991, p. 205).

The provider must identify the full program of marketing communications and ways to promote sales staff and adapt to the market in which it operates (Lorbek, 1991, p. 219).

The excellence of the sales staff is featured in the ability to adapt communication to customers and satisfying their expectations (Potočnik, 2001, p. 319).

Competitive race for a limited number of customers and too many products is every day more difficult. The most successful are those who daily show to the customers, that their choice was excellent. This is achieved not only with a single perfect approach to customers, but by building excellent references, so that their existing customers also bring new customers - acquaintances, friends and business partners (Oechler, 1996, p. 19).

## **2.2. Satisfaction and expectations of customers**

Satisfied customers buy more and more frequently, and are more loyal (Damjan & Možina, 1999, p. 132). Client satisfaction is a response to exceeded expectations or perception that the properties of the product or service reached or exceeded the expected level of client (Oliver, 1997, p. 13).

The most influence to the satisfaction of the client has actual experience with the product in comparison with expectations. Evaluation is subjective, although a client may use objective criteria (Kristensen, Matrensen & Gronholdt, 1999, p. 604).

The expectations of customers are affected by his personal character and past experience (not necessarily own, can be the experience of friends, acquaintances, ...). A large part of the expectations are formed on the basis of promises and inducements, which providers expose them to product. As a result, customer expectations are constantly changing and the task is to adjust them, if you want to be successful (Johnson & Gustaffson, 2000, p. 219).

### 3. SALES STAFF AND ITS MEANING

#### 3.1. The strategy and structure of the sales staff

Each supplier meets on the market with the offer of its competitors, with credibility, establish an appropriate trustworthy relationship and understanding of customer needs is crucial to the success of the company and sales staff. The client is the one who determines what he wants, while supplier is trying through the sales staff to meet the expectations of customers or even exceeded it. Therefore, the composition of sales personnel depends on the needs and specific skills that sales people need to manage the sales process. Important role has education and also informal knowledge and skills.

Plumbly (1985, pp. 22–23) recommends that the supplier should consider before starting a new recruitment whether it is necessary, or will be able to combine with other jobs, and achieve the same effect or reassigned someone else who is superfluous.

Differences between average and top personnel are great, therefore should the selection of candidates receive a high priority. Only with the help of world-class skills of the members of the sales staff can achieve superior results (Crane, 2001).

#### 3.2. Training of sales staff

Training (SSKJ, 2005) is education and training new admitted workers (can be vocational, professional). Qualification (ibid.) is defined as the ability to perform certain work. The aim of the training is that new candidates start to work as soon as possible with full productivity (Svetlik, 2009, pp. 328–329).

Systematic introduction of a new candidate in the working environment can significantly shorten the process of socialization and allows the candidate to a quickly achievement of the expected results. There is evidence that well-designed and executed induction program has a positive impact on reducing staff turnover, and also reduce the time needed by the new candidate to achieve the expected results (Werther & Davis, 1987, p. 211).

### 4. SURVEY

#### 4.1. The sample

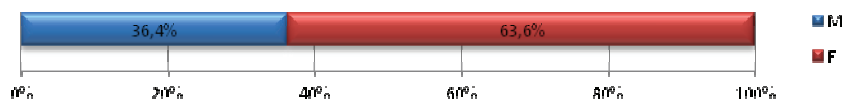
The sample consists of 830 units in selected areas of activity (Figure 1).

**Figure 1:** The activities in the sample



Representation of the gender is imbalance in the sample (Figure 2) - included was more female sales staff (63,6 %) than male sales staff (36,4 %).

**Figure 2:** Representation of the sales staff by gender



**Figure 3:** Sex of sales staff according to the activity



The gender of the sales staff is also represented uneven by activity (Figure 3).

#### 4.2. The survey results

We tested the following hypothesis:

H1 - The success of the sales staff to communicate significant positive effects on purchase intention of customers

**Table 4:** Statistics for assessing the quality of the regression equation

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,751 <sup>a</sup>	,564	,564	4,351

a. Predictors: (Constant), The effectiveness of communication

**Table 5:** ANOVA

ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20303,857	1	20303,857	1072,735	,000 <sup>a</sup>
	Residual	15671,716	828	18,927		
	Total	35975,572	829			

a. Predictors: (Constant), The effectiveness of communication

b. Dependent Variable: The purchase intention

**Table 6:** Regression analysis of depending variable(the purchase intention) from variable effectiveness of communication

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-8,166	,707		-11,552	,000
	The effectiveness of communication	1,427	,044	,751	32,753	,000

a. Dependent Variable: The purchase intention

**Equation 1:** Regression analysis for hypothesis H1

$$\text{The purchase intention} = -8,166 + 1,427x \text{ The effectiveness of communication}$$

Hypothesis H1 can be confirmed, since the coefficient of the variable effectiveness of communication statistically significant and positive. The effectiveness of communication affects the purchase intention. If the success of communication is increased by 1, then the performance increase purchase intentions for 1.427 (Equation 1). So, the purchase intent increases more than the effectiveness of communication of the sales staff.

Better than the sales staff interacts with customers, the higher are possibilities that customers will choose to purchase a product/service. On the ability of sales staff to communicate with customers significantly affect factors that are associated with personality characteristics of sales personnel, sales procedures (prescribed by a provider), knowledge and skills of management of the sales conversation and communication, negotiation and knowledge of products/services, and the operating mode of direct sales personnel superiors.

On the improvement in communication performance of sales staff has a major impact additional training of sales personnel, which can be targeted with training workshops and significantly improve its communication to customers. Training and exercises may be general or very specialized and focused on improving individual communication skills of sales staff.

For general training providers usually decide for the sales staff which they want to learn basic principles and methods of service, how to communicate with customers. Those providers who have elaborated in great detail to communicating to customers, and measure the progress of their sales staff and they order or performed repeat training or very specialized and tailored specific training, which focuses on improving individual skills.

The realization of the training may be different – it could be the training or lecture, or seminar, or workshops or training in the workplace (the training by doing). This is usually implemented as coaching, which directly examines the implementation of activities and what has to be changed and how.

With training providers are trying to provide a competitive advantage in some areas, which are difficult to imitate (by competitors). Many providers, based on past experience, decide for additional training of their sales staff and spend a lot of money, which they in the long term (at least based on previous experience) is paying off. The hypothesis is confirmed that the investment in the training reimbursed with a higher purchase intention by customers.

## 5. CONCLUSIONS

The survey results showed very clearly that the sales staff play an important role in achieving the sales results. They are essentially the first contact with customers and based on what has been experienced, the customers form an opinion on the provider.

Friendly and helpful sales staff has a positive impact on customers and telling them that provider will took time for them, listening to their concerns and try to create such a solution, they will be impressed. Even customers are aware that this is not always possible, but the effort that shows the sales staff to customers, is sometimes more important than the sale. With

this service provider build trust and credibility and long-term impact on his performance, because sometimes, no competitor can offer the client an optimal solution. Therefore the customers are choosing among the solutions that deliver a minimum of negative consequences.

The decision to purchase is conditional on various factors, but it largely depends on customer satisfaction and feelings of kindness, willingness, professionalism, in short, with excellent communication skills of sales staff.

More than the sales staff is trained, better communicate and adapt to customers' expectations. In practice this is often said that the tunes on the client host "frequency". By doing so, in essence, the sales staff to create credibility, earn the trust of customers and the effect of raising the threshold of satisfaction. In its work, the sales staff must be very good understanding of communication processes and opportunities within the mandate not to raise too high expectations of customers, it will be on the next visit is difficult to achieve their enthusiasm.

As we found in the survey, investment in training sales staff is very worth. In essence, each unit invested in sales staff to improve their skills, returns in higher values. Nevertheless, the provider should join the training in a planned and rational way, and build knowledge and skills in line with his policy and set goals.

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