Contents lists available at GrowingScience

Uncertain Supply Chain Management

homepage: www.GrowingScience.com/uscm

The role of product knowledge, sales environment, and information matching on salesperson adaptability

Aris Mardiyono^{a,b*} and I Made Sukresna^c

^aDoctoral Program Study at Diponegoro University Semarang, Indonesia ^bFaculty of Economics and Business University of 17 August 1945 Semarang, Indonesia ^cDiponegoro University, Semarang Indonesia

ABSTRACT

Article history:
Received April 12, 2023
Received in revised format May
18, 2023
Accepted June 10 2023
Available online
June 10 2023
Keywords:
Product knowledge
Product knowledge Sales environment
Sales environment
Sales environment Information matching

To increase salesperson performance, this study will examine how product knowledge, sales environment, and information suitability affect salesperson adaptation. Random sampling is the approach that is utilized for sampling. 115 respondents from small and medium-sized batik business salespeople in the city of Pekalongan made up the study's sample in Central Java, Indonesia. The AMOS 21 program uses structural equation modeling (SEM) as an analysis tool. According to the study's findings, salesperson adaptability is significantly positively influenced by product knowledge, significantly positively by the sales environment, significantly positively by information appropriateness, and significantly positively by salesperson performance.

© 2023 Growing Science Ltd. All rights reserved.

1. Introduction

In the era of globalization, there is an intense competition among companies to attract consumers to use their products (Solimun & Fernandes, 2018). Companies want their customers to stay in business forever (Pitaloka et al., 2020). The seller is a unit that plays an important role in bridging the relationship between business actors and consumers, since the seller is the party that interacts directly with the buyer. Salespeople also perform the routine duties of selling goods and services, both old and new products (Kramer & Krafft, 2022). Sellers also must respond to market tastes and then signal to the relevant internal departments to respond to changes. Companies must encourage their salespeople to become adaptive salespeople (Sharma et al., 2020). Adaptive salespeople are salespeople who can develop and execute sales presentations for each customer and make decisions quickly and accurately based on customer feedback. Improving sales force adaptability is critical for businesses to attract and retain customers (Kaptein et al., 2018).

The effectiveness of an adaptive sales team in practice, not all customers need the same information, the right media is needed. The information provided by the seller must be adapted to the sales situation during the sales talk. Küster and Canales (2008) found this to be the case when adaptive sales force effectiveness is influenced by motivation. It is said that a resilient sales team is dedicated to satisfying customer needs. Also, a firm may learn a lot about itself by evaluating the level of teamwork that has been built between its salespeople and customers. Several sales management gurus and salespeople predict that this outcome will occur if the company is able to continue using the salesperson's empathy to win over customers.

The purpose of this study is to better understand how product expertise, the sales environment, and information suitability affect adaptability and salesperson performance.

* Corresponding author

E-mail address <u>aris05untagsmg@gmail.com</u> (A. Mardiyono)

^{© 2023} Growing Science Ltd. All rights reserved. doi: 10.5267/j.uscm.2023.6.007

2. Literature review and hypothesis development

2.1 Salesperson Performance

The salesperson's effectiveness (Sangtani & Murshed, 2017)

The performance of the salesman is the result of all their efforts to choose wisely and to take the right course of action. The choice and direction of the suitable strategy are essential to obtaining the desired performance. Every business must measure and manage salesperson performance since it has a substantial impact on the success or failure of the corporation. (Coimbra & Proença, 2022). Research on salesperson adaptability conducted by Guenzi et al. (2016) showed a positive relationship between salesperson adaptability and increased salesperson performance. This is because the application of adaptive salespeople shows the ability and skills of salespeople in carrying out certain techniques and approaches appropriately by considering the existing situational conditions.

The salesperson's success (Verbeke et al., 2010)

The salesperson's success is evaluated based on variables he or she has control over, specifically the actions taken, and the outcomes attained. Salesperson performance is measured by achieving the targets charged by the company to salespeople, and sales with high profit margins and being able to improve and respond to new products.

2.2 Salesperson Adaptability

According to Singh and Das (2013), salesperson adaptability is defined as changes in selling behavior during interactions with customers based on valuable information about situational traits. A salesperson is said to have a high level of adaptability of the sales force if he/she can use different sales approaches appropriately when dealing with customers and when making decisions (Singh & Das, 2013).

The adaptability level of the salesperson requires a highly skilled and trained workforce who can interpret a sales situation and then adapt sales tactics to the needs of its customers (Hartanto et al., 2022), which includes planning specific sales strategies for different customers. A salesperson is said to have a high level of adaptability if he can use different sales approaches appropriately when dealing with customers and when making decisions during sales transactions in different sales situations (Low et al., 2001). Conversely, salespeople are said to have a low level of adaptability, if they only use the same sales decision-making approach and techniques for all transactions carried out in any sales situation (Giovannetti et al., 2020).

2.2 Product Knowledge and Salesperson Adaptivity

A salesperson must know about product features, since consumers do not only buy in terms of price, but in terms of value, and consumers will not get it from untrained salespeople (salespeople who do not have product knowledge) (Watanabe et al., 2015). But the most important thing is how the salesperson serves consumers. The salesperson's product knowledge is not only in the realm of adaptive selling, but in all sales situations (Rafi & Saeed, 2019). The salesperson should be able to answer questions about the product. It is well established that the salesperson's product knowledge of the product and the company is an important variable for the sales manager.

Mastery of product knowledge can help salespeople in five ways, namely: strengthening self-confidence, being able to respond to consumers more wisely, avoiding the impression that sales presentations are too mechanical, stimulating salespeople to prefer their work, and opening up opportunities to pursue upward career paths (Sangtani & Murshed, 2017). Product knowledge possessed by the salesperson is a strategic asset that supports every sales visit activity. When product knowledge is applied according to customer needs and expectations, it will give birth to customer satisfaction.

Salespeople can adapt more effectively through product expertise and high self-confidence can positively influence buyers' perceptions of them, increasing the chance for adaption. Thus, the hypothesis that can be put forward is:

H1: *The higher the salesperson's product knowledge, the higher the adaptability of the salesperson.*

2.3 Sales Environment and Salesperson Adaptivity

The sales environment is defined as the situational circumstances faced by salespeople (Rodriguez et al., 2022). Practice adaptability of the sales force along with costs incurred (Kaptein et al., 2018). To properly apply sales force adaptability, salespeople must spend their time doing market research on their customers, even though this time could be used to make visits to other customers. The characteristics of the sales environment that affect the tradeoff of costs and profits are : (1) the variety of needs and types of consumers faced by salespeople, (2) the importance of the typical buying situations encountered,

(3) the resources provided by the company for salespeople (Kramer & Krafft, 2022). Research by (Rodriguez et al., 2022) found that the adoption of adaptive salespeople is influenced by the sales environment. Thus, the hypothesis proposed is:

H₂: *The more flexible a salesman is, the better the sales atmosphere.*

2.4 Information Matching and Salesperson Adaptivity

Information Matching means that the provision of information from the salesperson needs to be adjusted to the sales situation at the time of the sales interaction (Agnihotri et al., 2009). It states that in practice, not all customers need the same information. Providing information according to customers' needs to be done since until now there are still many salespeople who provide large amounts of information during presentations with the hope that customers will get as complete information as possible. The suitability of the information provided can be measured through the content and focus of the information and the flow of the information (Agnihotri et al., 2009). Information has several fundamental qualities, such as its substance and purpose as well as its flow. The content and focus of information relates to adjusting the quantity, frequency and timeliness when the information is provided.

The salesperson must be aware of the subject being covered, its depth, the presenting strategy, and the information that needs to be concentrated on. Agnihotri et al. (2009) add that salespeople need to pay attention to how often, how much and when they make changes in providing information. When the salesperson provides information according to customer needs, there are higher ability to apply adaptive salespeople. Thus, the hypothesis proposed is:

H₃: *The more suitable the information, the higher the adaptability of the salesperson.*

2.5 Salesperson Adaptivity and Salesperson Performance

Successful salespeople are those who can adapt their communication style appropriately in interactions with consumers (Agnihotri et al., 2009). Through this technique the salesperson can observe how the customer reacts to his sales strategy and make adjustments as necessary. Research conducted by Zallocco et al. (2009) suggest that there is a positive relationship between salesperson adaptivity and salesperson performance. Salesperson adaptability is a promotional tool and has been found to be related to improving salesperson performance. Thus, the hypothesis proposed is:

H4: The higher the adaptability of the salesperson, the higher the salesperson's performance.

The description above, empirical model development can be made, as shown in Fig. 1 below.

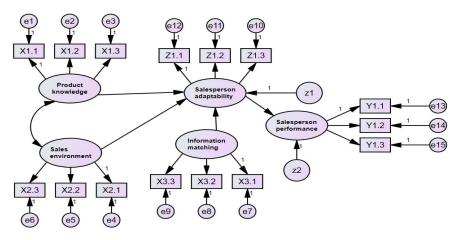


Fig. 1. Empirical Model Development

3. Research methods

3.1 Types of research

This kind of study is a quantitative study (Ang, 2019). To test an observed phenomenon, hypotheses are helpful. Primary data gathering methods involve distributing questionnaires to respondents directly (Jain, 2021).

3.2 Sample

The Semarang city's small and medium-sized businesses are the subject of the study, and 119 business owners or managers make up the sample. Following the normalcy test, it was discovered that 115 respondents were qualified to be processed.

Table 1

Operational definitions of variables and indicators

Variable	Operational of variables	Inc	ndicator		
Salesperson	The salesperson's performance is the result of all of their efforts to	1.	Sales volume		
Performance	make the best decision and follow the proper course of action.	2.	Number of customers		
		3.	Sales targets		
Salesperson adaptability	Salesperson adaptability is defined as changes in sales behavior during interactions with customers based on valuable information		Ability to make changes		
			Variation of selling styles		
	about situational traits.	3.	Confidence to change sales ability		
Product knowledge	Product knowledge refers to a seller's understanding of the		Product types and benefits		
	advantages of a particular kind of product feature. the procedure	2.	Product features		
	for granting customers privileges	3.	The process of delivering products to consumers		
Sales environment	The sales environment is defined as the situational circumstances faced by the salesperson		Consumer needs		
			Sales type		
		3.	Products provided by the company		
Information matching	Information compatibility means that the provision of information	1.	Fill in the information		
	from the salesperson needs to be adjusted to the sales situation at		Information focus		
	the time of the sales interaction	3.	Information flow		

Sources : Excerpted from other studies, 2023

3.3 Tools for Data Analysis

Data processing techniques include the AMOS-operated SEM (Structural Equation Model) (Analysis of Moment Structure). Hamdollah and Baghaei (2016) state that the Structural Equation Model (SEM) has seven steps that must be followed: Conversion flowcharts in measuring specifications, examples of model-based theories include interpretation and modification of equation and structural models, choice of input matrices and estimating methods in the built model, evaluation of issue identification, goodness-of-fit evaluation criteria, and model development.

4. Results

To evaluate appropriateness and statistical tests, data processing at the entire model SEM stage was analyzed.

Table 2

Results of Testing the Feasibility Model SEM evaluation

Goodness of Fit Index	Cut-off Value	Results Analysis	Evaluation Model Fit		
Chi - Square	<86.123 df 72	66.521			
Probability	≥ 0.05	0.710	Fit		
RMSEA	≤ 0,08	0.005	Fit		
GFI	≥ 0.90	0.925	Fit		
AGFI	≥ 0.90	0.923	Fit		
CMIN / df	≤ 2.00	0.8	Fit		
TLI	≥ 0.95	0.97	Fit		
CFI	≥ 0.95	1.000	Fit		

Source: Research data are processed, 2023

After SEM processing, the statistical test results are reviewed to determine the degree of importance of each link between variables, as determined by the probability value (p) and Critical Ratio (CR) of each association between variables.

Table 3

Standardized Regression Weight

Variable			Estimation	SE	CR	Р	Information
Product knowledge	←	Salesperson adaptability	.244	.3141	2.511	.004	Sig
Sales environment	←	Salesperson adaptability	.457	.138	2.746	.005	Sig
Information matching	←	Salesperson adaptability	.342	.299	2.857	.003	Sig
Salesperson adaptability	←	Salesperson performance	.264	.229	2.994	.002	Sig

1. According to the findings of a test on the subject, product knowledge has a positive effect on salesperson flexibility. The estimation parameter investigating the effect of outside support on e-commerce adoption has a CR value of 2.511 and a probability of 0.004. Both numbers obtained meet the requirements for H1 approval.

- 2. The sales environment was tested for its impact on salesperson adaptation, and the results showed that it has a favorable impact. A CR value of 2.746 and a probability of 0.005 are displayed for the estimated parameter assessing the relationship between salesperson adaptability and salesperson adaptability. Both values obtained meet the requirements for H2 approval.
- 3. Details on the flexibility of salespeople that corresponds to test findings. The estimation parameter's CR value and probability are 2.857 and 0.003, respectively, in order to investigate the effect of information matching on information matching. Both results received are acceptable for H3 approval.
- 4. According to research investigating the relationship between salesperson adaptability and salesperson adaptability, the two are positively correlated. According to the estimation parameter for measuring salesperson adaptation, the probability is 0.002 and the CR value is 2.994. Both values obtained meet the requirements for H4 approval.

5. Discussion

Hypothesis 1 (first) states that product knowledge has a significant positive effect on salesperson adaptability. In this study, empirical evidence was obtained that the relationship between the two variables was proven so that it could be concluded that the better the product knowledge, the better the salesperson adaptability would be. The research conducted can be concluded that the first hypothesis can be accepted. The indicators of product knowledge consist of knowledge about the types and benefits of company products, knowledge about product features and product delivery processes (Sangtani & Murshed, 2017). The results of data processing show that product knowledge consisting of knowledge about the types and benefits of the company's products has the most impact compared to other metrics. Based on research of the literature, these indicators were created in accordance with the circumstances of Pekalongan batik Businesses. In this study it is known that knowledge about the types and benefits of company products, knowledge about product features and product delivery processes can increase the adaptability of salespeople.

Hypothesis 2 (second) states that the sales environment has a significant positive effect on salesperson adaptability. In the study, empirical evidence was obtained that the relationship between the two variables was proven so that it could be concluded that the better the sales environment, the better the salesperson adaptability would be. The needs of consumers, the type of sales, and the products offered make up the indications of the sales environment. (Rodriguez et al., 2022). The results of data processing show that the product provided has the factor with the most bearing among the others. These indicators were carried out based on a literature review and were developed according to the situation in batik SMEs in Pekalongan. In this study it is known that the needs of consumers faced, the type of sales and products provided can increase the adaptability of salespeople.

Hypothesis 3 (third) states that information matching has a significant positive effect on salesperson adaptability. In the study, empirical evidence was obtained that the relationship between the two variables was proven so that it could be concluded that the better the information matching, the better the salesperson adaptability would be. Information matching indicators consist of information content, information focus and information flow (Agnihotri et al., 2009). The results of data processing show that the focus of information has the greatest influence on many indicators. Based on a survey of the literature, these indicators were created in accordance with the circumstances in Pekalongan's SMEs producing batik. In this study it is known that information focus and information flow can increase the adaptability of salespeople.

Hypothesis 4 (four) states that salesperson adaptability has a notable improvement in salesperson performance. In the study, empirical evidence was obtained that the relationship between the two variables was proven so that it could be concluded that the better the salesperson adaptability, the better the salesperson's performance would be. The indicators of salesperson adaptability consist of the ability to change the ongoing approach, variations in sales styles according to the situation, confidence in the ability to change different sales approaches for certain situations and modification of the presentation situation in sales (Zallocco et al., 2009). The results of data processing show that confidence in the ability to change different sales approaches for certain situations. Based on a survey of the literature, these indicators were created in accordance with the circumstances in Pekalongan's SMEs producing batik. In this study it is known that the ability to change to ongoing approaches, variations in sales styles according to situations, confidence in the ability to change sto ongoing approaches, variations in sales styles according to situations, confidence in the ability to change the circumstances in Pekalongan's SMEs producing batik. In this study it is known that the ability to change to ongoing approaches, variations in sales styles according to situations, confidence in the ability to change different sales approaches for certain situations and modification of presentation situations in sales can increase salesperson adaptability.

6. Conclusion

This research was conducted to answer the problems mentioned above, where the research problem is how adaptive salespeople can improve salesperson performance.

First, an increase in salesperson performance can be achieved through good product knowledge of the salesperson where good mastery of the product encourages salespeople to become more adaptive so that the salesperson's performance increases.

Second, increased salesperson performance can be achieved through a sales environment that supports salespeople in increasing salesperson adaptability.

Third, an increase in salesperson performance can be achieved through matching the information provided by the salesperson to the customer where the suitability of the information encourages salespeople to become more adaptive so that the salesperson's performance increases.

7. Managerial Implications

The following policy implications are employed to raise the performance of small and medium-sized businesses:

First, to increase the adaptability of salespeople through product knowledge, then: a. The company maintains the superiority of the products offered by continuing to innovate on products. b. The company conducts regular training outside the office as an effort to increase salesperson knowledge and friendship between salespeople. c. Companies deliver material with a more attractive appearance, accompanied by audio-visual images or color brochures. D. Companies can also sponsor events involving the community.

Second, to increase the adaptability of salespeople through the sales environment, then: a. Companies need to encourage salespeople to provide fast and precise service. b. The company continues to innovate its products. New products that can be offered, for example, unsecured loan programs, group loans or other innovations. c. Companies provide added value to products, for example by giving special souvenirs or certain sweepstakes for customers.

Third, to increase the adaptability of salespeople through information compatibility, then: a. Companies need to know exactly which materials need to be prioritized because they are the current needs of participants. The material provided is material that does not only contain information about products or services but also the stages in conveying information to customers. b. Companies need to continue to hone salespeople's ability to ask questions or be good listeners. Another effort is to complement existing books or tools by adding testimonies from customers who have been and are satisfied with the company's products or services. c. Companies need to equip their salespeople with up-to-date information regarding the products or services provided. In addition, companies can provide tools for salespeople that are useful in conveying information such as handbooks, flipcharts, special proposals.

Fourth, to improve salesperson performance through salesperson adaptability, then: a. Confident in ability to adapt different sales approaches to specific situations. b. Companies or sales managers need to provide more examples of the application of the theory given. For example, regarding a more effective sales process with AIDA, namely action, interest, desire, attention. Ability to make changes to the ongoing approach c. Companies need to provide gradual training on an ongoing basis for their sales force so that salespeople can better understand the situation they are facing and how to handle it. In addition, a simulation of the material provided also needs to be done. For example, with participants acting as salespeople and potential customers or customers, participants will get a clearer picture of conditions in the field.

8. Research Limitations

First, only one UKM is the subject of this study. Businesses engaged in batik were the study's respondents. The respondents chosen from various SMEs should be generalized.

Second, the answers to the questionnaires distributed to the respondents experienced a few problems. There were several respondents who said that the answers would be given in the next 2 weeks, but after the surveyor team visited again, it turned out that the respondents also had not answered the questionnaire that had been given.

9. Future Research Agenda

First, in terms of the sample size. In order to maximize the generalizability of the research findings, future studies should employ a larger sample size than the 119 respondents used in this study. After data normalization was completed, the data could be processed for up to 115 respondents. In order to improve the generalizability of the research findings, future studies should employ a sample that is thought to be more typical of the research population.

Second, future research can modify the research model by adding or replacing it with new variables that have been adapted to current conditions, such as government support variables. Government agencies can support SMEs in supporting sales activities.

References

- Agnihotri, R., Rapp, A., & Trainor, K. (2009). Understanding the role of information communication in the buyer-seller exchange process: Antecedents and outcomes. *Journal of Business and Industrial Marketing*, 24(7), 474–486. https://doi.org/10.1108/08858620910986712
- Ang, J. (2019). Research Methodology. *The Game Plan of Successful Career Sponsorship*, 147–152. https://doi.org/10.1108/978-1-78756-295-020191017

1848

- Coimbra, J., & Proença, T. (2022). Managerial coaching and sales performance: the influence of salesforce approaches and organisational demands. *International Journal of Productivity and Performance Management*. https://doi.org/10.1108/IJPPM-10-2021-0620
- Giovannetti, M., Cardinali, S., & Sharma, P. (2020). Sales technology and salespeople's ambidexterity: an ecosystem approach. *Journal of Business and Industrial Marketing*, 36(4), 615–629. https://doi.org/10.1108/JBIM-01-2020-0034
- Guenzi, P., De Luca, L. M., & Spiro, R. (2016). The combined effect of customer perceptions about a salesperson's adaptive selling and selling orientation on customer trust in the salesperson: a contingency perspective. *Journal of Business and Industrial Marketing*, 31(4), 553–564. https://doi.org/10.1108/JBIM-02-2015-0037
- Hamdollah, R., & Baghaei, P. (2016). Partial least squares structural equation modeling with R. In *Practical Assessment, Research and Evaluation* (Vol. 21, Issue 1).
- Hartanto, E., Aswin Hadis, F., Susy Suhendra, E., & Zulkaida, A. (2022). The Effect of Adaptive Selling on the Salesperson Performance of Life Insurance Mediated by Customer Orientation. *International Journal of Research Publications*, 95(1), 207–215. https://doi.org/10.47119/ijrp100951220222892
- Jain, N. (2021). Survey versus interviews: Comparing data collection tools for exploratory research. *Qualitative Report*, 26(2), 541–554. https://doi.org/10.46743/2160-3715/2021.4492
- Kaptein, M., McFarland, R., & Parvinen, P. (2018). Automated adaptive selling. European Journal of Marketing, 52(5–6), 1037–1059. https://doi.org/10.1108/EJM-08-2016-0485
- Kramer, V., & Krafft, M. (2022). When and how information and communication technology orientation affects salespeople's role stress: the interplay of salesperson characteristics and environmental complexity. *European Journal of Marketing*, 57(3), 659–682. https://doi.org/10.1108/EJM-11-2021-0917
- Küster, I., & Canales, P. (2008). Some determinants of salesforce effectiveness. Team Performance Management: An International Journal, 14, 296–326. https://doi.org/10.1108/13527590810912304
- Low, G. S., Cravens, D. W., Grant, K., & Moncrief, W. C. (2001). Antecedents and consequences of salesperson burnout. *European Journal of Marketing*, 35(5/6), 587–611. https://doi.org/10.1108/03090560110388123
- Pitaloka, I. D., Pramadya, H., & Hendriyani, C. (2020). Maintaining Priority Customers by Implementing Customer Relationship Management (CRM): A Case Study at Emerald Banking BNI PTB (Perguruan Tinggi Bandung). *The International Journal of Business Review (The Jobs Review)*, 3(1), 15–20. https://doi.org/10.17509/tjr.v3i1.26567
- Rafi, A., & Saeed, T. (2019). Impact Of Salespersons' Skills -Set On Customer Behavior: Mediating Role Of Salespersons' Relational Behavior In Pharmaceutical Industry Arslan Rafi *, Prof. Dr. Tahir Saeed †. *City University Research Journal*, 9(3), 626–644.
- Rodriguez, R., Roberts-Lombard, M., Høgevold, N. M., & Svensson, G. (2022). Organisational and environmental indicators of B2B sellers' sales performance in services firms. *European Business Review*, 34(4), 578–602. https://doi.org/10.1108/EBR-05-2021-0123
- Sangtani, V., & Murshed, F. (2017). Product knowledge and salesperson performance: rethinking the role of optimism. Marketing Intelligence and Planning, 35(6), 724–739. https://doi.org/10.1108/MIP-11-2016-0199
- Sharma, A., Rangarajan, D., & Paesbrugghe, B. (2020). Increasing resilience by creating an adaptive salesforce. *Industrial Marketing Management*, 88(May), 238–246. https://doi.org/10.1016/j.indmarman.2020.05.023
- Singh, R., & Das, G. (2013). The impact of job satisfaction, adaptive selling behaviors and customer orientation on salesperson's performance: Exploring the moderating role of selling experience. *Journal of Business and Industrial Marketing*, 28(7), 554–564. https://doi.org/10.1108/JBIM-04-2011-0121
- Solimun, S., & Fernandes, A. A. R. (2018). The mediation effect of customer satisfaction on the relationship between service quality, service orientation, and marketing mix strategy and customer loyalty. *Journal of Management Development*, 37(1), 1–11.
- Verbeke, W., Dietz, B., & Verwaal, E. (2010). Drivers of sales performance: A contemporary meta-analysis. Have salespeople become knowledge brokers? *Journal of the Academy of Marketing Science*, 38(3), 407–428. https://doi.org/10.1007/s11747-010-0211-8
- Watanabe, M., Ogawa, K., & Ishiguro, H. (2015). Can androids be salespeople in the real world? Conference on Human Factors in Computing Systems - Proceedings, 18, 781–788. https://doi.org/10.1145/2702613.2702967
- Zallocco, R., Pullins, E. B., & Mallin, M. L. (2009). A re-examination of B2B sales performance. Journal of Business and Industrial Marketing, 24(8), 598–610. https://doi.org/10.1108/08858620910999466



 $\ensuremath{\mathbb{C}}$ 2023 by the authors; licensee Growing Science, Canada. This is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC-BY) license (http://creativecommons.org/licenses/by/4.0/).